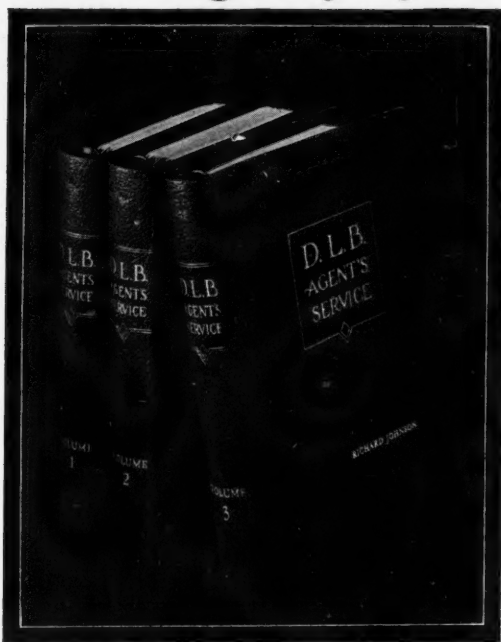


The NATIONAL UNDERWRITER

Life Insurance Edition

NOT FOR CIRCULATION
OCT 2 1939
824

The "Cream of the Business," the Backbone of the Agency System, are Using the D.L.B.



AGENT'S SERVICE

85% of Subscribers to This Service Have Been in the Business Two Years and Over and Average \$197,000 of Paid-for Business

HOW DO THESE "TOP" MEN USE THE SERVICE?

(1) As a source of new selling ideas, (2) as a help in unusual cases, (3) as a Reference Work for general information and (4) as a stimulator or personal motivator.

DO NEW IDEAS LEAD TO AN IMMEDIATE PROFIT?

The answer is emphatically "Yes". More than five thousand subscribers have written at one time or another during the past two years and many state that they have closed at least one sale and others say that ideas taken from the Service have helped them to close 10, 20 and 30 cases.

Excerpts from these enthusiastic statements have been printed in a booklet "Subscribers Say". If you are now writing \$100,000 or more, or if you are a Manager or Supervisor send a penny post card for this free booklet.

Don't deprive yourself of the Agent's Service on the general proposition that no printed matter will help YOU because it will, you know it will, and by their own words, it is now helping many of the best Agents, Supervisors and Managers in the business.

GOOD men make GOOD money with GOOD ideas. Good NEW ideas will help YOU to make more money and make it easier.

The Chart below gives a picture of subscribers which are arranged in four groups. Since the better men tend to reply to a straw vote questionnaire, these figures may be off 2%, perhaps 5%; say they are off 10% if you want to, they still indicate that the best men in the business are using this Loose-leaf Monthly Selling Service.

	Percentage of Total Subscribers	Average Production	Average Policy	Age
Group I Less than \$100,000	15%	\$ 59,627	\$2,332	36
Group II \$100,000 to \$150,000	26%	124,337	2,790	37
Group III \$150,000 to \$250,000	36%	190,377	3,159	43
Group IV Over \$250,000	23%	289,783	7,109	41
Averages		\$166,031	\$3,847 1/2	39 1/2

Length of Time in the Business

15% have been in Life Insurance less than 2 years
20% have been in Life Insurance 2 to 5 years
23% have been in Life Insurance 5 to 10 years
42% have been in Life Insurance 10 years and over

38% of subscribers are Managers, General Agents, Superintendents, Supervisors or District Managers. These subscribers use the Service (1) in preparing for Agency Meetings, (2) training the new man, (3) directing the study of older men and (4) in answering questions, developing sales talks, etc. Study Guides furnished with each subject make the Service easy to use . . . 3 volumes, 900 pages, 14 subjects, brief, concise, indexed.

SUBSCRIPTION RATE: \$7.00 with order and \$1.00 a month for eleven months, or \$15.00 cash. Service guaranteed for 30 days . . . money returned if not satisfied.

THE D. L. B. AGENT'S SERVICE

420 EAST FOURTH STREET

CINCINNATI, OHIO

FRIDAY, SEPTEMBER 29, 1939



*A friendly group
to join for steady
progress*



**The OHIO NATIONAL
LIFE INSURANCE COMPANY**

CINCINNATI, OHIO

T. W. Appleby, President

The NATIONAL UNDERWRITER

Forty-third Year—No. 39

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 29, 1939

\$3.00 Per Year, 15 Cents a Copy

No Basis Found for Heredity in Cancer, Actuaries Are Told

Dr. Arthur Hunter Presents Paper at Actuarial Society Meeting

QUEBEC — Analysis of 3,239 deaths from cancer among New York Life policyholders failed to reveal any indication that there is such a thing as a hereditary predisposition to cancer, said Dr. Arthur Hunter, vice-president and chief actuary New York Life, in his paper presented at the semi-annual meeting of the Actuarial Society of America here this week. Dr. Hunter pointed out that while the search for the cause of cancer has so far been unsuccessful, the failures have been of value as they have eliminated many of the so-called causes which were once thought to have an effect in cancer incidence.

The study showed that five-sixths of the cancer deaths were caused by cancers either in the digestive tract or in the genito-urinary organs. Incidence of cancer deaths was found to be higher than the average among Jews of Russian origin residing in this country. The study also confirmed the well known fact that the cancer death rate is higher in the northern states than in the south. Related to occupations, Dr. Hunter's figures showed that cancer deaths are higher than average among semi-skilled and skilled workers and lower than average among professional men, farmers, and clerks. The correlation of cancer incidence were also studied with relation to average age at death, build, place of birth, residence, size of family, occupation and site of cancer (combined), complexion, blood pressure, and alcoholism. It was found that cancer deaths are higher among overweight persons.

Effect of Sunlight

In connection with the higher proportion of cancer deaths in the north than in the south, Dr. Hunter mentioned the recently published findings of Dr. Sigismund Peller, which indicates that exposure to sunlight predisposes to external cancers, which are relatively easily cured, with resultant greater immunity, apparently, to the more deadly internal cancer.

Only risks issued at standard premiums were included in the study in order to give an accurate cross section. For comparison a like number of living policyholders was used as a control group.

W. G. Bowerman, assistant actuary New York Life, presented a paper on centenarians which throws a large amount of doubt on the possibility of extending the length of life beyond present figures. There are two schools of thought, Mr. Bowerman said, one which sees practically no limit for the potential extension of the life span and holding that men should be able to live 150 or

Much Interest Seen in Joint Meeting

Insurance Commissioners and Actuaries to Discuss War Clauses

Much interest will be taken in the meeting at the Edgewater Beach Hotel next Monday called by the life insurance committee of the National Association of Insurance Commissioners of which Superintendent Lloyd of Ohio is chairman. The American Life Convention people will be meeting at the same hotel and hence it seemed a favorable opportunity for the commissioners' committee and the actuaries to talk over the subject of war clauses.

Some life companies have already taken action and are adopting war risk clauses that apply to policies presently issued, which will not affect those already in force. These are designed to limit the liability in event of death due to war. The Equitable Society, and Continental American Life have announced clauses and restrictions. Most companies are awaiting the hearing next Monday before any action is taken.

The commissioners committee has decided a closed session but signified its desire to have special actuarial representatives from the American Life Convention and the Association of Life Insurance Presidents sit in. The special committee from the Association of Life Insurance Presidents consists of E. E. Rhodes, Mutual Benefit Life, chairman; H. R. Bassford, Metropolitan Life; G. W. Bourke, Sun Life of Canada; Arthur Hunter, New York Life; Ralph Keffer, Aetna Life; R. C. McCann, Equitable of Iowa; R. D. Murphy, Equitable Society. The American Life Convention committee consists of Ross Moyer of the Continental Assurance of Chicago, chairman; William Breiby, Pacific Mutual; O. J. Burian, General American; G. A. Clark, Equitable Life of Washington, D. C.; L. K. File, Canada Life; H. H. Peirce, Massachusetts Mutual, and G. R. White, Penn Mutual.

B. E. Shepherd, actuary of the Life Presidents Association, will sit in with

(CONTINUED ON PAGE 28)

even 200 years. The other school, he said, holds that most of the mortality improvement has been at the younger ages with practically none after age 60, that the degenerative diseases block any attempt to increase the life span appreciably, and that in any event it is more important to live fully than to spend one's time trying to prolong one's life.

While some British tables go as high as age 120, Mr. Bowerman said that 115 is as high as there is any need to go. He pointed out that for each person alive at age 110 there must be 1,000 living at age 100, assuming the present death rate, while for each person living to 120 there would have to be 100 trillion persons born. Since best estimates are that the total born since the advent of homo sapiens on earth is only between 100 and 500 billions, this indicates the mathematical remoteness of anyone living to age 120, he said.

Cases of persons living to age 100 or more are closely related to illiteracy and

Annual Income Plan Becomes Important

Figures Are Given Showing the Amount Paid by Companies

NEW YORK—Annual payments aggregating \$119,491,439 were being made by the life companies of America at the end of 1938 on policies being settled on an income basis, according to a compilation by the Annual Message of Life Insurance committee. These payments were being made on 299,416 policies which have become claims. The figures are based on official reports from 137 companies representing 92 percent of the life insurance in force.

"These income plans are primarily for widows to keep their family groups intact and in the majority of cases probably constitute the only source of income for these families," said J. C. Behan, chairman.

"With increasing recognition of the fact that the real purpose of life insurance is to replace income with income, a marked trend is developing toward settlement of policies on an income basis instead of a lump sum payment which may be invested unwisely or otherwise lost by the beneficiary through inexperience in managing money. Approximately 25 percent of the funds paid out by life insurance companies for death claims and endowment maturities are being used to buy income under settlement options instead of being paid in a single cash payment, whereas this was true of only 5 percent of the claims paid twenty-five years ago."

many of the spurious cases are illiterates, Mr. Bowerman said in the course of his figures on the rarity of centenarianism. He dealt in considerable detail with eight cases which appear to be authentic examples of persons who were from 108 to 113 years old at the time of death.

Other papers presented were "Practical Interpolation Methods with Second Order Curves," by Kingsland Camp, assistant mathematician Equitable Society; "Asset Shares and Their Relation to Nonforfeiture Values," J. E. Hoskins, assistant actuary Travelers; and "The Effect of Misrepresentation," by J. M. Laird, vice-president and secretary; and E. J. McAlenney, legal department, both of the Connecticut General Life.

President R. D. Murphy, vice-president and actuary Equitable Society, presided as president of the society. There was discussion of papers presented at the previous meeting.

As it has done for more than 15 years past, THE NATIONAL UNDERWRITER is this week getting out three daily editions in St. Louis, covering the addresses and the proceedings at the annual meeting of the National Association of Life Underwriters. Levering Cartwright, Frank A. Post and Charles D. Spencer of THE NATIONAL UNDERWRITER editorial staff are in St. Louis in charge of the issuance of these daily editions, which are sent to all regular subscribers of THE NATIONAL UNDERWRITER life edition.

Strict Neutrality Is Urged by the National President

Much Interest in Annual Meeting of the Life Underwriters

By LEVERING CARTWRIGHT

ST. LOUIS—A "strict neutrality" attitude is being observed during the golden jubilee anniversary meeting of the National Association of Life Underwriters now in progress here.

H. J. Johnson, Pittsburgh national president, announced this policy, saying:

"We are trying to respect the full spirit of neutrality and you can't talk war and neutrality at once. If we do not have war—and we hope we will not and we expect we will not—we are assuming the business will continue on the upgrade, standards of living will rise and the needs for life insurance will increase."

Registration Exceeds 2,000

The annual convention here may prove to have established a new mark in attendance, it measures up well to previous conventions in political excitement, and the program is a distinct departure from pattern in that many of the speakers are leaders in fields other than insurance.

By Wednesday afternoon, registrations exceeded 2,000, breaking the all time record.

So far as politics is concerned the agony was prolonged 24 hours due to the fact that the election session of the national council was held Thursday afternoon instead of Wednesday afternoon as in the past. At this writing the ballots had not been cast. The spotlighted contest is that between Harry T. Wright, Equitable Society, Chicago, and John A. Witherspoon, John Hancock, Nashville, for vice-president. Of almost as much interest is the competition between Philadelphia and Cleveland for the 1940 convention. It is understood that the nominating committee will bring in eight names for trustees, with six to be elected.

The trustees at their session Tuesday acted favorably upon a report of a special committee headed by Earl Colborn, Connecticut Mutual, Rochester, N. Y., for reallocation of duties of the principal members of the headquarters staff. Managing Director Roger Hull hereafter will be expected to devote his attention to certain broader phases of association work that might be classified under the head of contact. He is being relieved of certain more confining duties.

Maxwell Hoffman, heretofore assistant managing director, becomes executive secretary in charge of all association activities and conventions. Wilfrid Jones becomes editor and manager of research in charge of publications and research.

The setup of the Managers Section is (CONTINUED ON LAST PAGE)

Policyholder Needs Complete, Well-fitted Program

That underwriters assume a great responsibility when they undertake to plan a prospect's life insurance program was emphasized by F. C. White of the K. W. Conrey agency at Battle Creek, Mich., in speaking before the Quarter Million Dollar Club of Penn Mutual.

He said: "No policyholder can be adequately insured who does not have his various life insurance policies dovetailed and fitted into a complete and workable program. A common mistake in programming is making complicated and elaborate audits and programs. It must be remembered that the primary object is to give the prospect a clear and understandable picture of his insurance estate. The more elaborate and complicated the program, the less people the underwriter can see, and the more time required for each prospect to make up his mind as to what he wants to do next.

"Do not try to force upon the prospect some 'pet program.' Instead build the program altogether on the basis of what the prospect himself wants to accomplish. Get all the essential facts about the prospect's true insurance situation and always insist upon preparing the program before making the sale.

Must Know Insurance

"Familiarity with all the needs for which life insurance may be bought, such as cleanup, readjustment, life income to dependents, mortgage insurance, educational insurance, etc., is necessary. In addition the agent must know the settlement options and matters of practice of his company and other companies."

Mr. White brought out that the essential steps in program technique are determining the prospect's present and future income needs for himself and his family, finding out to what extent his present life insurance will supply those needs and selling such additional coverage as the prospect can pay for in order to make up the deficiency.

The established methods of procedure in program selling are proceeding from a unit to a program, analyzing or auditing existing insurance and then examining the prospect's will and the arrangement of his general estate.

Mr. White said: "Simplified program selling is an effective modification of elaborate program selling and is a

necessity today in working with the middle income group. The steps involved are the opening interview, preparation of the program, the selling interview and completion of the details in connection with the program, including new beneficiary and settlement endorsement and new insurance which has been purchased on recommendation.

"It is built on cash for cleanup, income during the most responsible years or until the children become of age, life income thereafter for wife, college educational fund and retirement fund.

Program Should Be Flexible

"Care should be taken to see that the program remains flexible. Liberal use should be made of interest income options, especially with educational insurance and mortgage insurance. Also privilege of commutation should be given to a liberal extent, especially where a separate emergency plan has not been provided for. All statements should be accurate and guaranteed figures should be used. Cover the needs in order of their importance. Existing beneficiary arrangements are not to be changed, yet the present designation can be made to fit into the program that you recommend.

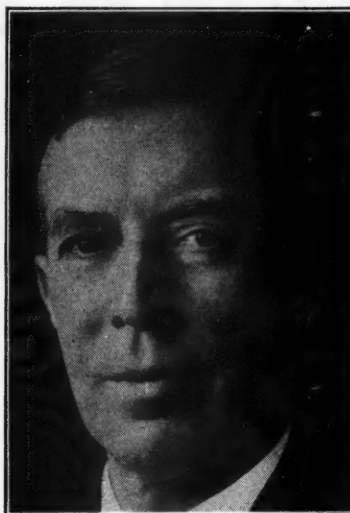
"Program selling has many advantages to the agent. It sells larger policies, builds clientele, eliminates competition, makes future sales easier, builds prestige and helps in prospecting.

"The advantage to the policyholder is that it gives an objective in life. It guarantees that the distribution of his life insurance estate will be carried out to the greatest advantage to his family and to himself. It encourages saving. It makes a premium deposit a happy event to be anticipated. It gives an appreciation of life insurance as nothing else does, and puts it in class 'A' as good property. In addition it gives the policyholder a clear cut and instantly available record of what he has and what it will do."

Gives Ohio Ruling on Group

COLUMBUS, O.—Insurance companies cannot sell group insurance to employees of companies with fewer than 50 persons on their payrolls at a rate lower than that charged individual policyholders, according to a ruling of Attorney-General T. J. Herbert of Ohio.

Life Presidents' Delegates at American Convention



FRANKLIN D'OLIER

The Association of Life Insurance Presidents has announced its official delegates to the meeting of the American Life Convention to be held at the Edgewater Beach Hotel starting next week. They are Franklin D'Olier, Prudential; E. S. Brigham, National Life of Vermont; B. K. Elliott, John Hancock Mutual, and F. W. Hubbell, Equitable Life of Iowa.

Equitable Leaders at World's Fair Celebration

NEW YORK — Five hundred New York representatives of the Equitable Society and their managers met Tuesday at the Equitable's "Garden of Security" at the New York fair to celebrate the successful conclusion of their late summer and early fall new business campaign. President T. I. Parkinson thanked the agency force for the results but pointed out that their job was just begun, since the foremost task is to see that the applications become and remain insurance in force. Vice-president W. J. Graham praised the campaign effort and termed the man with the rate book the bulwark of life insurance.

Manager Abraham Bleetstein, who di-

Sun Life of Canada to Aid Employees Who Enlist for War

MONTREAL—A. B. Wood, president Sun Life of Canada, in an announcement to the company's staff throughout Canada, outlined procedure in regard to members of head and branch offices who enlist for active or defense service.

Married men and single men with dependents will receive an allowance equal to the difference between the salary paid by the company and the pay and allowance received in respect of national service. The allowances to single men without dependents will bring the company and service pay to an amount equal to two-thirds of the regular monthly salary paid by the company. In all cases, full salary without deduction will be paid the first month.

Status Unchanged

The period of national service will count for seniority or length of service in the company's employ, and retirement allowances and death benefits will be fully maintained. Furthermore, the company will continue its share of the contribution made in respect of staff insurance policies and these will be maintained exactly as if no change in service had taken place.

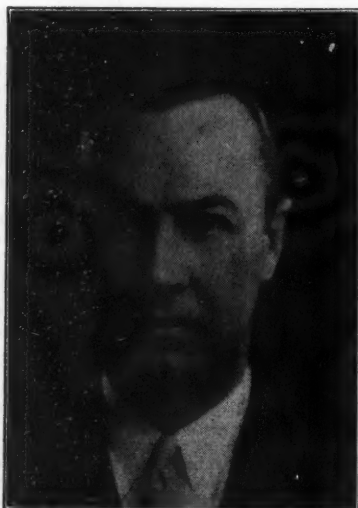
All positions vacated by regular members of the company's staff will be held open until the termination of war. Many members of the Sun Life staff have already responded to the call for national service and others have expressed their intention of enlisting in the near future.

rected the campaign, reported 1,833 applications for nearly \$9,000,000 of volume. Mr. Bleetstein's agency led in number of applications and in number of agents qualifying. A dinner for qualifying representatives, their managers and home office executives followed the meeting.

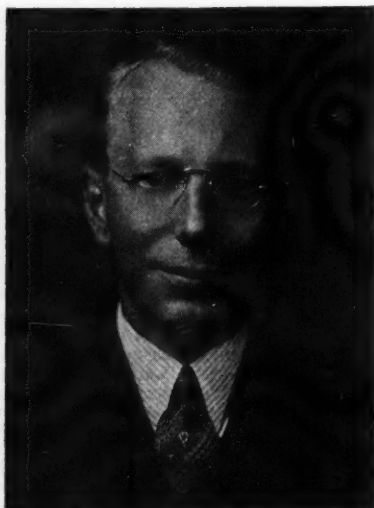
Kentucky Home in New Field

Kentucky Home Mutual Life of Louisville is entering the accident and health field and has appointed Paul Sawyer, formerly of Continental Casualty as superintendent of that department. Mr. Sawyer is a well qualified man. He was at one time head of the accident department of the Zurich at Chicago.

LIFE OFFICE MANAGEMENT LEADERS



G. A. HARDWICK
Penn Mutual



R. A. TAYLOR
Sun Life of Canada



J. S. THOMPSON
Mutual Benefit Life



FRANK L. ROWLAND
L. O. M. A. Secretary

Big Meeting Next Week in Chicago

American Life Convention Activities Will Start Monday

All roads will lead to the Edgewater Beach Hotel in Chicago next week, being the 34th annual meeting of the American Life Convention. The Legal Section starts the ball rolling Monday morning with H. W. Kacy, Acacia Mutual, presiding. It is anticipated that over 700 company executives from all parts of this country and Canada will be present. The European war and its possible effects on this continent and various domestic business and financial problems are attracting much attention in life insurance circles. These will add greatly to the attendance as there will be many conferences. The actuarial committee of the convention has been gathering all possible material on war clauses and its report will be a major one. There are 151 companies that are members domiciled in 38 states, the District of Columbia and Canada. Together they have about 50 billion dollars of insurance in force and about 10 billion of assets. During the last 10 years they have invested nearly 12 billions.

Meeting of Sections

The Legal Section will meet the first two days and its annual luncheon will be held at noon the first day. The Industrial Section meets on Monday afternoon and will continue through the evening. It will be in charge of T. J. Mohan, vice-president Eureka-Maryland Assurance, who is the chairman.

The Financial Section will meet Tuesday with D. F. Roberts, treasurer Acacia Mutual, presiding. It will hold a group luncheon Tuesday.

The Agency Section in charge of H. T. Burnett, vice-president Reliance Life, will hold the fort Wednesday morning.

The main body of the convention will open its general session Wednesday afternoon, with W. T. Grant, president Business Men's Assurance, in the chair. Col. C. B. Robbins, the manager and general counsel, will present his report. The executive session will be held that evening. The general convention will continue through Thursday and Friday morning. The annual dinner dance, which is the highlight of the social side of the meeting, will be held Thursday evening.

State Supreme Court Rules Against Company in Suit

LINCOLN—The state supreme court, in upholding a suit against the Metropolitan, ruled that an insured, in order to qualify for total and permanent disability benefits, does not have to be in a state of complete helplessness. It decreed that total disability means inability to do all the substantial and material acts necessary to prosecution of the insured's business or occupation in his customary and usual manner.

The insured, F. D. Bennett, of Beatrice, following an attack of infantile paralysis, had been prevented from following his usual trade but had been earning half his former salary at work provided by a charitable friend.

The Metropolitan provision in the policy had been that payment for total and permanent disability would not be made unless the insured was unable to perform any work for compensation or profit or from following any gainful occupation.

Plan C. L. U. Course for October

KANSAS CITY—H. C. Booker, Equitable Society, and Bert Boyd, Northwestern Mutual, are handling C. L. U. course enrollments, which will get under way in October. O. J. Neibel, Penn Mutual, is in charge.

Retires to Private Life in New Lisbon, Wis.



H. J. MORTENSEN

H. J. Mortensen has now retired as Wisconsin commissioner and has taken up his permanent residence in his old home in New Lisbon, Wis. Mr. Mortensen is the only man to have served as Wisconsin commissioner for two terms. His second term expired June 30, but he had been holding over until a new appointment was made by Governor Heil. Morvin Duell of Fond du Lac is the new Wisconsin commissioner.

National Aid Life of Oklahoma City has reinsured the East Texas Life of Palestine, Tex., assuming all liabilities, assets and business. Business in force is approximately \$2,000,000.

Action Taken on the War Clause

Vice-president Patton of the Mutual Life of New York has sent out a letter to managers stating that inquiries indicate a misunderstanding of the paragraph entitled "Not Insurance" in a letter sent Sept. 8. It had reference to the war clause and it was intended that this would apply for the present only to the following groups:

A. Non-citizens where it seemed probable or likely they would return to their native or other countries for military, naval or air service, or for other service incident to war.

B. Citizens intending or contemplating engaging in military, naval or air service with armed forces of other countries or in any other service incident to war in such other countries.

C. Citizens or non-citizens who contemplate going to countries where, as civilians, they might be exposed to the hazards of warfare.

It does not apply to citizens of the United States merely because they are of military age.

Canadian Companies Stress Protection Defies War

In the current cooperative advertising of Canadian life insurance companies, the inherent safety of life insurance and its enviable record of service in every previous national emergency are being stressed.

It is set forth that notwithstanding war conditions, life insurance underwriters will continue to honor all policies in accordance with the terms of the individual contracts. It is pointed out that during the last war and the great influenza epidemic which followed it, life companies continued promptly to meet all policy guaranties.

Youth and Sixty-Five

A youngster of twenty-one in one of our Agencies, brand new in the business, knowing the attitude of the young toward life insurance benefits that will not accrue until age 65, devised this approach, which is followed by a Retirement Income sales talk:—

At 25 you look along the road into the future, and very far away you see a billboard whose words you can only faintly see. You read, "Age 65," and you say to yourself, "Oh, shucks!" But you go along the road, year after year, getting older, but still not bothering about the billboard and its "Age 65," and you reach, say, age 40. Now you can read the billboard better, and you see, down in one corner, something else,—the words, "What'll I do?" Still you aren't troubled much about it, because 65 is 25 long years away. But before you know it you are 50, and the billboard's words are an ugly threat. Age 65 you realize is rapidly rushing toward you, and how you wish that back there at 25,—right where we now are,—when it was easy to do, you had done something about it.

This treatment is producing business for its young author.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Advertising Men in Annual Convention

Gathering of the Clans Monday and Tuesday at Boston

The Insurance Advertising Conference at its annual meeting at the Statler Hotel in Boston next week will have the opportunity of mingling with the officials and members of the National Association of Insurance Agents, meeting in the same hotel the same week. R. C. Dreher of the Boston and Old Colony is president of the advertising conference. Its deliberations will begin Sunday evening when there will be an executive committee meeting followed by an informal discussion for members. The conference proper will start Monday morning with a group meeting the theme being "Tomorrow's Insurance Advertising & Sales Promotion."

At the luncheon Kenneth Collins, assistant general manager of New York "Times," will speak on "Advertising and Selling Insurance Under Present Conditions." At the group meeting following direct mail advertising will be discussed. At the banquet in the evening the speaker will be Raymond Moley, contributing editor of "News Week," and professor of public law at Columbia University.

On Tuesday morning will be the election of officers with a group meeting. At the luncheon K. R. Dyke, director of national sales promotion for the National Broadcasting Company, will speak. In the afternoon there will be a group meeting at which insurance papers will be discussed by Don Clark of the "Local Agent"; Jerome Van Wiseman of the "American Agency Bulletin"; and Clifford DePuy of "Underwriters Review."

Among the discussion leaders will be F. S. Dauwalter, assistant manager of the National Board, and C. R. Marshall of Mathes Advertising Agency.

The life company advertising men will take a prominent part in the convention. D. J. Murphy of the advertising department of the Metropolitan Life is co-chairman of the group session. Discussion leaders include A. H. Reddall, assistant secretary Equitable Society; E. M. Hunt, manager of publicity and field service Mutual Life of New York; A. A. Fisk, advertising manager Prudential; H. H. Putnam, advertising manager John Hancock Mutual Life.

Plan Testimonial Luncheon for Holgar J. Johnson

PITTSBURGH—A testimonial luncheon for Holgar J. Johnson, general agent Penn Mutual, and retiring president National Association of Life Underwriters, will be held in the William Penn Hotel at noon, Oct. 2. The agencies committee arranged the luncheon at the request of the board of directors of the Pittsburgh Life Underwriters Association.

The committee in charge consists of R. M. Stevenson, National Life of Vermont, president agencies committee; G. H. Moore, State Mutual, general chairman; W. R. Furey, Berkshire Life; J. M. Holmes, Northwestern National; E. G. Johnson, Penn Mutual; R. S. Koehler, Jr., Mutual Benefit; B. F. Mansmann, Reliance Life; G. W. Stewart, Penn Mutual; R. N. Waddell, Connecticut Mutual; S. E. Webster, Provident Mutual; F. C. Wigginton, Bankers of Iowa, and L. C. Woods, Jr., Equitable Society.

Pa. Department Appointments

HARRISBURG, PA.—Appointments to vacancies in the Pennsylvania department were announced: L. M. Webster, Drexel Hill, chief life actuary; T. L. Paul, Philadelphia; C. G. Sullivan, Lock Haven, and H. E. Koerberle, Philadelphia, examiners.

Departments Urge Reorganization of the Shenandoah Life

Convention Examination Leads to Insistent Demand by Commissioners

RICHMOND, VA. — As a result of an examination of the Shenandoah Life of Roanoke, Va., covering the years 1936, 1937, 1938, G. A. Bowles, Virginia commissioner, has proposed that a reorganization of its management be effected immediately because of "flagrant and inexcusable irregularities and violations of law as well as sound business practices generally." The examination supervised by the Virginia, Tennessee and District of Columbia departments, showed the company to be entirely solvent. J. M. McCormack, Tennessee commissioner, and A. F. Jordan, superintendent of insurance, District of Columbia, concurred in urging complete change of management. Officers were accused in a number of instances of careless and reckless practices, in the report.

Wants a General Manager

Commissioner Bowles recommended that there be a change or reorganization of the executive officers and that there be created the position of vice-president and general manager and that the position be filled by a thoroughly competent and experienced life man. This man, he said, should be vested with all the powers usually inherent in the position of general manager, including sufficient powers to direct the fiscal and business affairs and policies. Further, he should be paid such a salary as will attract a first rate man. This salary, he suggested, should be provided by a proper reduction of the salary of the president from its present \$20,000, of the vice-president and general counsel from its present \$15,000, and of the medical director from its present \$15,000. In this way, there would be no additional expense to the company for salaries.

Recommendations to Commission

Commissioner Bowles made his recommendations in a letter to the Virginia State Corporation Commission after the examination report had been made public. He voiced the hope that the directors would see its way clear to make the changes recommended by him and thus carry out the views of the departments of Virginia and Tennessee and the District of Columbia. The proposed changes, he insisted, are essential in order to restore confidence. In the event that the directors do not see fit to cooperate with this department and with the other departments represented in the recent examination, he said that he would feel it his duty to recommend to the commission that it take such further action as is provided by law. He told the commission that in his opinion "no three officers of a life company who have so carelessly and recklessly managed its financial affairs, as is disclosed by the record, should be entrusted with the management of the trust funds of the widows and orphans."

Suggests Independent Examination

"The president and general counsel of the company have always been critical of our examinations and that of other states participating. By implication, if not by direct accusation, they have charged this department and other state departments with incompetency with reference to the examinations. Therefore, in view of the premises, I am con-

strained to recommend that an independent examination and the transactions of its officers be made by some well recognized independent accountant," Mr. Bowles said. Neither the Tennessee nor the District of Columbia department concurred with Commissioner Bowles as to this. They believed that such an examination would be a needless expense.

Commissioner McCormack of Tennessee wrote Commissioner Bowles that the record clearly showed that the "president, executive vice-president and medical director, as a group, have failed to distinguish between their obligations as officials and their duties to the policyholders and stockholders as compared to their own personal welfare. Their individual abilities, if properly directed, probably could be to the benefit of the corporation and the policyholders. Insurance supervision has demonstrated the truth of the formula that any company that is dominated by salaried officials without proper supervision from an independent and competent board of directors soon winds up in a condition similar to that now facing us. If the board of directors of the Shenandoah Life refuses to exercise its corporate powers, no doubt a change in the board would be for the best interests of the corporation and the policyholders."

Solvency Is Unquestioned

"The solvency of the company appears to be unquestioned. In fact, its financial ability to absorb outstanding stock on the mutualization plan seems to be apparent. The agency department seems to be in capable hands and other departments appear to be efficiently managed. If the management could be improved by a change of attitude or change of personnel or by supplementing the board with at least one additional executive who has veto power and is under the personal direction of the State Corporation Commission and the Virginia department a more healthy condition should be created."

Attitude of the Directors

Directors, following a conference with members of the corporation commission, gave assurance that views expressed by the commission would receive the most careful and mature consideration and that the laws and regulations of the state governing life insurance would be complied with.

In recommending that an independent accountant make an examination of the company, Commissioner Bowles suggested that this examination go back to 1929 when the original stock deal was

Honor the Leader



A. L. DERN

All members of the Lincoln National Life field force are celebrating October as "Dern Month" in honor of A. L. Dern, vice president and director of agencies. "A 100% agency force for a 100% agency leader," is the slogan. Business in October from every man under contract is the aim. Each agent is planning two sales talks each day as a working program to achieve the goal.

Two additional incentives confront LNL men in Dern Month. October is the last month of the convention qualifying period, and "Dern Month" business counts also toward membership in the Minute-Men Club, highest honor club.

made with Rogers Caldwell & Co. in order to get a full picture of the operations and manipulations that appear to have taken place.

Letter from the President

The voluminous examination report and correspondence made public in the case included a letter of several thousand words from President E. L. Trinkle, former governor of Virginia, dated July 31, 1939, in which he objected to the setting aside of a special reserve of

(CONTINUED ON LAST PAGE)

Emotions Basic to Insurance Can't Be Killed by Wars

Vice-President Patterson Urges Penn Mutual Men to Retain Perspective

By R. B. MITCHELL

Urging his hearers to get their perspective from "all our yesterdays," Vice-president A. E. Patterson brought the Penn Mutual's Atlantic City convention to a close, pointing out that neither wars nor other disasters have destroyed "the basic human emotions which are the basis of our business." He stressed the renewed need of courage and faith—courage of one's convictions, the courage to start and finish a difficult job; of faith in oneself, faith that what has happened and is happening is for the best, and finally faith in the power of faith itself.

Touching on four aspects of mental attitude, Mr. Patterson said that mental attitude toward one's job is more important today than at any time in the last 25 years. Success or failure in the job is up to the individual and no one can help him much, he said. No end of people fail because they don't see the job through. While different people may have very varying ideas on how much money they want, he said that "fun is only in success, there is no fun in mediocrity or failure."

Attitude Toward Oneself

As to mental attitude towards oneself, Mr. Patterson said that "a little bit of worrying can be put to good use if it is used constructively." He mentioned the value of a sense of humor to avoid taking oneself too seriously. As for mental attitude toward the other fellow, he advised overestimating rather than underestimating his intelligence.

"That gives us the advantage, because then we can be on guard," he pointed out.

The fourth angle in mental attitude, he said, is what you want the other fellow to think about you.

Similarly steady advice marked the address of President John A. Stevenson at the opening session. Mr. Stevenson said that he knew of no better way to serve the cause of this country and of democracy than by pursuing even more actively than in the past the job of doing a larger and better life insurance service. He said that life insurance is the most perfect demonstration of the operation of the principles of democracy.

Holgar Johnson's "Parables"

President Holgar J. Johnson of the National Association of Life Underwriters, who is Penn Mutual general agent at Pittsburgh, stressed the "social responsibility to provide the American people with the life insurance protection to which they are justly entitled." He urged his hearers to hold themselves poised, should the time come when there would be a necessity of "using our collective influence to protect the part we have played in bringing to the American people this protection."

Saying that there might be some present who felt he was talking in parables, Mr. Johnson intimated that he would speak out more specifically when he addressed the National Association in St. Louis. Mr. Johnson, in addresses elsewhere, has emphasized the danger that the monopoly investigation of life

(CONTINUED ON PAGE 20)

PARTICIPANTS IN AD CONFAB



A. H. REDDALL, Equitable



A. A. FISK, Prudential

At the annual meeting of the Insurance Advertising Conference at Boston Monday and Tuesday of next week, three of the leaders in the organization, A. A. Fisk, Prudential, immediate past president; E. M. Hunt, Mutual Life of

New York, and A. H. Reddall, Equitable Society, will take a prominent part. While the life advertising men are numerically much fewer than the fire and casualty, yet their section is a potent one. All three will be discussion leaders.

Announcing AN IMPORTANT STEP

toward the Solution of One of Life Insurance's
Most Talked-of Problems

There has long been a need for improving the method of compensating the life insurance agent. Desired is a system which provides him (1) a more stable income, (2) an income which follows more closely actual service rendered the policyholder and the Company, (3) a permanent and more profitable career in life insurance selling.

Here is an Entirely New Plan of Renewal Compensation Now in Effect for N^WNL Agents

Effective September 1, 1939, Northwestern National Life, by announcing a new plan of renewal compensation, took a great forward stride in the direction of rewarding its full-time producing agents in true proportion to the contribution made by them to the Company's welfare in properly selecting, selling, and servicing their business.

This new plan of renewal compensation is designed:

- (1) To encourage business that stays on the books to fulfill its purpose in protection, with consequent substantial savings to the public;
- (2) To pay well the agent who stays with the Company and serves his policyholders.

Instead of paying a percentage of the renewal premiums, this new plan pays a flat amount per thousand of business renewing over and above certain required minimums, thus assuring the man with a high persistency record a *rate* of renewal compensation materially greater than the man with average or low persistency. The amount of commission paid per thousand is the same regardless of type of policy or amount of premium, but is graded according to the year in which the business was produced. Under the plan, renewal commissions are *paid throughout the year in equal monthly instalments* and quickly become the dominant source of an agent's earnings, even exceeding the first-year commissions from substantial volumes of new business.

The new plan is not compulsory for any agent, but under it *four out of five of N^WNL's full-time active agents benefit immediately by substantial increases in renewal earnings*. In no event will an agent get less in renewal commissions than he is entitled under his present agency contract, and there is no reduction in the schedule of first-year commissions paid.

**NORTHWESTERN
INSURANCE**

O. J. ARNOLD, President



**NATIONAL LIFE
COMPANY**

Minneapolis, Minnesota

Arnold Launches New System of Renewal Commission

Northwestern National Rewards Producer for Selection and Service Work

A new system of renewal commissions that rewards the agent in direct proportion to the contribution he makes to the company's welfare by properly selecting, selling, and servicing his business has been announced by President O. J. Arnold of Northwestern National Life, effective Sept. 1. The Arnold system, in effect, pays the agent at a higher rate of commission as he improves his renewal record. Under the plan four out of five of the company's full-time active agents will receive immediate substantial increases in renewal earnings. Three-fourths of those who benefit under the new plan will enjoy at least a 50 percent increase, and more than one-half of these agents will receive more than a 100 percent increase. Renewals under the new plan will be paid in equal monthly installments throughout the year.

A decided departure from the traditional method of paying a percentage of renewal premiums, the new plan pays the agent a flat amount per thousand on the volume of his business, by each year of issue, that persists in excess of the amount needed to meet a base or minimum renewal ratio established by the company for all business of that year of issue.

Graded by Years

The commission is the same regardless of the type of policy or the amount of the premium; it is, however, graded according to the year in which the business was produced, from the highest rate on business produced in the preceding year down to the lowest rate on business produced in the sixth, seventh, eighth, and ninth years preceding. Penalties of like amounts per thousand are charged the agent on the volume by which the business of any of these nine years of issue falls short of renewing at the base ratio for the business of that year. An agent's total renewal commission in any year is, therefore, the sum of the debits and credits on nine separate blocks of his business which have been in force from one to nine years.

In announcing the new plan, Mr. Arnold said:

"Conceived in rough outline in mid-depression years and developed in its present form shortly thereafter, the introduction of the new plan has not been hurried in order to permit a preliminary two-fold program of research (1) into costs, from a profit or loss standpoint, of all phases of the company's operations in the home office and the field, and (2) into sales procedures best designed to encourage policyholders' persistency. This research program has resulted in economies of operation, in the development of programs for the guidance of agents in serving the public in a manner that promotes persistency of business, and in strengthening in large degree the extent by which the company has had its affairs under control. These steps, preliminary to the introduction of the new plan, resulted in the extensive changes in premium rates and policy forms last May and in more fairly distributing the cost of insurance, in the light of changed economic conditions, as between the persisting policyholder and the policyholder

who lapses. Thus the way has been paved to increase substantially the earnings of those agents whose business persists well, and by establishing under the new plan equal renewal commissions per thousand, the company has assured the policyholder of impartial service and the agent adequate compensation regardless of the type of policy or the premium rate.

"The base or minimum renewal ratios established each year by the company are deliberately set low, far below the company's average. They give recognition to the fact that there is a natural persistency of business even if it is sold poorly, serviced not at all, and subjected to the severest conditions of economic distress. The base ratios are not intended to represent this level of natural persistency for any agent or agency but they afford a practical means of eliminating renewal commissions at extremely low levels where natural persistency plays the most important part in the renewal of business. Thus the use of a base or minimum renewal ratio makes it possible to concentrate renewal commissions on the higher brackets of persistency where proper selection, selling and servicing are truly in evidence.

"The base ratios will, of course, vary slightly from year to year to reflect conditions which produce variations in the average persistency attained from year to year by the company's active agents. Thus, changing economic conditions will automatically reflect themselves in adjustments of the basic renewal ratio."

Estimate Made in Advance

At the beginning of each year, the company will estimate in advance the volume of the business produced by each agent in each of the nine preceding years that will be renewed and be in force at the end of the then current year. These estimates will determine the volume of business renewing in excess of, or below, the base ratio, and the renewal commission will be estimated on the basis of these amounts. If the estimate shows the agent will earn more under the new system than under the old, he will receive his renewals, on the basis of this estimate, in equal monthly installments throughout the year and any necessary corrections to accord with actual experience will be made by adjustment.

(CONTINUED ON PAGE 24)

Record of Insurers in World War Is Traced

MINNEAPOLIS — Extra premiums to cover the hazards of a new and possibly deadlier war for civilians as well as soldiers are now being pondered by U. S. life companies, although many refunded such extras in full after both the Spanish-American and the world wars, when war losses turned out to be much less than expected, according to a study by Northwestern National Life.

Ninety-five percent of all U. S. companies dropped their war service restrictions from their ordinary life coverage at the end of the world conflict. But since the outbreak of European hostilities war clauses for new policies have already been announced by several American companies, and more are in the making.

Canadian and British companies acted immediately on the outbreak of the present conflict, to put war restrictions or extra war risk premiums on new insurance policies. The new hazards of aerial bombardment to civilian populations are reflected in Canadian insurance policy changes, covering lives of civilians leaving the North American continent for war zones. Such civilians will be under approximately as great dangers as men in the trenches, judging from the extra rates on the new policies. The additional premiums are generally equal or nearly equal to those charged for coverage of military service.

Reason for Low Mortality

The comparatively short length of time that the United States was actually engaged in the European war is mainly credited with the low mortality from war hazards, according to the study, although losses of companies doing a large foreign business were considerably less than expected also.

In a recent exchange of data between Northwestern National and Japanese insurance companies the Japanese firms reflected war's effects in an increase of 6.1 percent in their total mortality ratio for 1938 over 1937; approximately one-seventh of all their death payments in 1938 were on war fatalities, suffered in China and on the Mongolian frontier.

In the world war the British forces in

France lost approximately seven percent of their number per year, either killed in action or through death later from wounds. This percentage was reduced in the final year of the war.

The French calculated their casualties in proportion to the total mobilized strength of the French army, at 5.41 percent in the five months of hostilities in 1914. By 1916 this proportion fell below 3 percent for the entire year and was further reduced as the war continued. This reduction was partially due to the increasing number mobilized, but more particularly to the gradually increasing French superiority in artillery, which made both defense and attack possible with smaller loss of life on the part of the French forces.

Return by Canadian Insurers

At the end of the war Canadian insurance companies, many of whose policyholders went through four years of military service, returned approximately four-fifths of the \$100 per thousand extra war hazard premiums charged, indicating a 2 percent excess loss of life per year from war hazards.

In the case of United States companies, losses on soldier and sailor policyholders were actually less than on other lives. Furthermore, even U. S. companies doing a large foreign business saw their mortality ratio continue its slow decline of several past decades, until 1918. Huge losses, however, were suffered by American life companies due to the "flu" epidemic, which started in Army cantonments and spread to the civilian population. Decreases in general U. S. mortality during the first three years of the world war were more than offset by the enormous death rate from influenza, which reached its height during the last four months of 1918.

Substantial losses in excess of premiums collected were experienced in the world war by United States war risk insurance, however. This insurance was sold to soldiers and sailors at extremely low rates, and the extra losses covered by the U. S. treasury. More than a billion dollars of such claims were awarded by the war risk bureau up to Sept. 30, 1919.

Present Restrictions in U. S.

At the outbreak of the present European conflict the only general restrictions in U. S. life insurance policies which related to war service provided that disability provisions and double indemnity from accidental death would not apply to disability or death resulting from war service. Full regular life insurance coverage in the policies of 95 percent of the companies make no restrictions regarding war service, and provide full coverage in case of subsequent death in military service by the holders. Most policies, however, contain definite restrictions on airplane pilots, which range all the way from extra premiums to definite refusal to cover. Many companies which accept regular commercial air pilots refuse to cover military or student pilots; some provide coverage even for student pilots at substantial extra premiums.

A rush of Englishmen of draft age to buy insurance occurred the last few weeks before Britain declared war, and increased further in the first few days after the declaration. Japanese insurance companies report an expansion of 19 percent in sales for 1938 over 1937. Sales of insurance in the United States increased greatly during the world war, over and above the vast amount of war risk insurance issued by the government, the study shows.

Research and planning necessary for the new Bankers Life home office building were explained by E. M. McConney, vice-president and actuary, to the Des Moines members of the National Office Management Association.

Prominent at Registration Desk



MILDRED HAMMOND



LILLIAN WILLE

Next week at the Edgewater Beach Hotel, when the American Life Convention and some of its sections hold their annual meeting the registration desk becomes the center of activity and information. The details of the convention to a large extent are dispatched from that point. It is the hub around

which the wheels revolve. In charge of this important work are Assistant Secretary Mildred Hammond of the American Life Convention and Assistant Treasurer Lillian Wille. Both are women of experience, who are highly regarded by members of the executive staff and the member companies.

1869 The Standard of 1939 ACACIA

Better qualified fieldmen;
better informed policyholders,
so that lapses may be reduced
and the waste and loss inci-
dent thereto prevented.

ACACIA

Mutual Life Insurance Company

WILLIAM MONTGOMERY, President

Acacia Building

Washington, D. C.

Chartered by
the Congress
of the
United States
March 3, 1869

ACACIA PRESIDENT SPEAKS

Dallas, Texas, Oct. 1927—William Montgomery, President of Acacia Mutual, today told insurance company executives assembled at Dallas, "That almost fifty percent of the people of this Country have entrusted to the life insurance companies the welfare of those they hold most dear, after they are gone, is the greatest compliment that has ever been paid to any set of men conducting a business. We are the trustees of these people, and it behooves us to so analyze every angle of cost, explore every avenue of waste, that we will be able to prove by any standard that may be set up, that the business is being conducted with an eye single to their interests."

Acacia's standard is the logical outgrowth of Acacia's belief in the principle of *service to policyholders*.

The principle of service to policyholders has long been one of the guiding policies of the Company, as the above newspaper clipping shows. This service principle is also proved by the fact that in 1926 Acacia reduced its rates so that its initial premium was materially lower than that of any other old line mutual company. And in addition to these low rates, Acacia returns to policyholders the savings from economical management, wise investment, and lower-than-average mortality.

Service to fieldmen is also a guiding policy of Acacia. This is shown by the contract that the Company gives its fieldmen, a contract that provides, in addition to liberal first-year commissions, a monthly salary based on the volume of business in force. There are no automatic terminations under Acacia's agency contract—the monthly salary increases steadily from year to year. In addition, the Acacia contract makes provision for disability, retirement, and death. It is a contract that enables men to build a permanent career in life insurance.

93 YEARS of DEPENDABLE PERFORMANCE

HOW ONE FAMILY GAINED SECURITY

Seven Depressions—Yet This Plan Weathered Them All

● If we could look back to 1885, we'd see a young Iowa bookkeeper carefully considering how he can best provide security for himself and family.

● He has just been through the depression of 1884. Yes, the plan he chooses must weather safely any recurrent depressions.

● He has seen friends make a good start toward accumulating a security fund, only to be taken out of the picture before they had time to reach their goal. He must adopt a plan which will guarantee that what he set out to save, and not just what he had time to save, will be available to care for his family.

● Finally, his plan must eliminate the danger of loss through reinvestment failure. What good would it be to accumulate the money needed for security, only to lose it in one fell swoop through an unfortunate investment?

● The résumé on this page, of payments on four policies, shows how wise a decision this man made over 50 years ago. As we look back, we see that obstacles in the path of security did arise, but with no ill effects upon his plan.

● Seven depressions came and went, yet the plan he chose—life insurance—safely weathered them all.

● In 1918 he passed on. As a result of Connecticut Mutual income agreements, which he had added to his policies in 1911, his widow was guaranteed a lifelong income of over \$1100 a year. Already she has received more than \$28,000, which is over \$16,000 more than was paid by the policyholder.

STATEMENT OF PAYMENTS

(Policies Nos. 176,050; 219,357; 254,763 and 254,764 to provide over \$1100 a year for life)

Yearly income of over \$1100 which commenced in 1918, and which will continue for life. At end of twenty-one years this widow had already received	\$28,082.21
Total Premiums	13,996.10
Total Dividends	2,613.69
Net Premiums	11,382.41
Excess of Payments Over Premiums—end of 21 years	16,699.80

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

Expense Control Best Way to Head Off U. S. Supervision

**John S. Thompson Sees
Significance in Objectives
of the L. O. M. A.**

NEW YORK—One of the most powerful influences in combating the tendency to superimpose federal supervision upon the present multitude of state supervisory functions would be clear proof that the operations of the life companies are characterized by the strictest economy consistent with the purposes sought, John S. Thompson, vice-president and mathematician of Mutual Benefit Life, asserted in addressing the meeting of the Life Office Management Association here.

"This does not necessarily mean the cheapest service," the speaker declared. "But it does mean that every superfluous function, every useless activity, every procedure that rests on nothing more substantial than tradition must be ruthlessly eliminated. It is only in this way that those who are moving for more extensive control of life companies will be disarmed."

Should Examine Operations

"Every one of us should consciously scrutinize each process of our respective organizations within the scope of his duties and authority and should ask himself 'Is this necessary?', 'If so, is it being done in the best way?', 'Could another method be substituted which would give the same results with less cost and greater quality and precision?'"

In the realization of these objectives, the L. O. M. A., according to Mr. Thompson, is doing a large share.

In his preface, Mr. Thompson mentioned the large number of organizations that exist in the business. He estimated that if one man were to attend the meetings of all the insurance organizations, such as the Actuarial Society, Life Insurance Counsel, etc., he would be at the task 15 weeks each year. As a matter of fact, many companies send several representatives to these meetings and a large proportion of the companies are represented in some way. Hence, cooperative discussion of common problems enters into the activities of the life companies to a very large extent.

Some may be inclined to feel that the conference idea is being overworked, but Mr. Thompson said it would be difficult to select any conference which the business would willingly discontinue or materially limit. There is no satisfactory substitute for the round table gathering and a face to face discussion, he said.

Interest in Office Management

The deep interest in office management springs primarily from the growth in the amount of office work and in the number of office workers during the past few decades and also due to the fact that the question of expense is of dominant interest at present.

Life insurance companies, he observed, are merely distributors of wealth and society is poorer by the cost of the machinery used in this process. Expense is a salient factor of both the insurance and investment departments and there is constant study both inside and outside of the business, of ways in which costs of operation may be reduced.

For instance, he pointed out, savings bank life insurance is a live topic. The chief excuse for savings bank life in-

surance is the possible decrease in the rate of expense at which business may be conducted. There is no basic reason other than possible reduction in expense for the introduction of life insurance in savings banking, he declared.

Protection Is Distinguishing Feature

The feature that distinguishes life insurance from other types of business involving finance is protection. The conduct of this special feature requires special training which is not at all incidental to savings bank operations—underwriting, premium collections, optional settlements, dividend distribution, insurance law, etc. The conduct of life insurance is not of such simplicity that it should be undertaken lightly. It is not true that through the addition of a few clerks and the use of some additional office space, savings banks can, without previous experience, develop flourishing life insurance departments.

The decrease in the expense rate of the life insurance departments of savings banks as compared with that of life companies has been more apparent than real, according to Mr. Thompson. Such development expense as has been incurred has been very largely absorbed by state departments rather than met by the banks themselves. Actuarial guidance has been supplied almost wholly by the state. Office expenses have not been suitably portioned between banking and insurance, nor has there been a proper distribution of investment income between the two departments.

Expense Grows with Complexity

The simplicity of operations in the early stages when the business is new and the mortality rate low may give an inadequate notion of the cost of doing business at a later date when the business becomes more complex.

The life companies offered little opposition to the introduction of savings bank insurance in New York, when the movement was projected under a plan whereby the life departments of the banks should pay the same taxes as the life companies and develop at their own expense and under their own power without state subsidy. If there is a method of operation characterized by low expense, it is well for the life business to discover it or yield to other agencies.

The cost of operation may be divided between investment expenses and insurance expenses and the latter between acquisition and maintenance. In 1938, 45 percent of the total insurance expenses of a large group of companies, or 30 percent of their total expenses were allocable to acquisition, including renewal commissions. About 15 percent of insurance expenses or 10 percent of total are due to taxes which are outside the control of the companies. Forty percent of the insurance expenses or 28 percent of the total are for administrative cost and here lies the opportunity to show what the business can do. It is in this field that the L. O. M. A. is particularly at home. The scope is, in some senses limited. Even if all investment and other administrative costs were eliminated, it would perhaps not reduce the policyholders premium outlay by as much as 14 percent. But it is important for the companies to be zealous and persistent in their search for legitimate means of diminishing the costs.

Selection of Personnel

Mr. Thompson praised the efforts of the L. O. M. A. to improve selection of personnel and to provide training courses. The long range effect of this program is difficult to overestimate, he declared. The L. O. M. A., he said, may well devote its talents to the improvement of procedure. Those who are most concerned with the details of a particular operation are sometimes unaware of the broader or more remote purposes to be served. And those who have the broad vision are sometimes

(CONTINUED ON LAST PAGE)

What are three IMPORTANT points to consider when YOU buy LIFE INSURANCE?

In the past men usually thought of their life insurance in a rather general way. But today, more and more, they are planning on the basis of their *specific needs* and then selecting a *suitable policy* issued by a *strong company*. For example . . .

THE NEED



Exactly what are your own particular life insurance needs? Just how would your life insurance money be used? How much cash would be needed in a lump sum, in event of your death, for outstanding debts, doctors' and hospital bills and the other 'final expenses'? . . . How much monthly income would your wife need as a *minimum*, and how long should it last at the very

least? Will there be funds to educate your children? . . . And for you, for your retirement, how much money will you require as a life income? At what age should you be prepared to retire?

When you analyze your *specific needs* in this way you are drawing the plans, so to speak, for the 'house of protection' you want to build for your family and for yourself.

THE POLICY



If you were buying an automobile you would choose the type of car which best served your purposes. It might be a one-ton truck or a convertible coupe. Both might be equally good bargains, but you would buy the one which better served your purposes. Similarly, the best life insurance policy for you is the one which best suits your specific needs.

Different types of policies are issued by the New York Life to meet the needs of

different persons. Some policies, for example, provide more insurance protection for each dollar of premium than others which may provide larger retirement values.

One of the most important services that can be rendered by a New York Life agent is to help you select a suitable policy. You may obtain this service if you will discuss your life insurance situation frankly and fully with a well-informed New York Life representative.

THE COMPANY



No one can foresee at what time and under what economic conditions a life insurance policy will become payable. It may be soon . . . or it may be many, many years in the future. At all times, therefore, a life insurance company must be kept so safe that it can pay all its claims, no matter when they fall due.

Founded on April 12, 1845, the New York Life has a long record of fidelity in

meeting its obligations to policyholders. It maintains its policy reserves on the most conservative basis used by American life insurance companies. The New York Life has always been a mutual company and therefore has no stockholders. Dividends are paid to policyholders only.

These are among the reasons why a New York Life policy is one of the best investments you can make.

If this modern way of buying life insurance appeals to you, we suggest that you get in touch with a New York Life representative serving your community, or write to the Company's Home Office, 51 Madison Avenue, New York City. It would be helpful if you would send your name, address, date of birth, and any other information which you think might be of assistance in making a preliminary analysis of your particular life insurance requirements.

NEW YORK LIFE

INSURANCE COMPANY



A Mutual Company Founded on April 12, 1845

THOMAS A. BUCKNER, *Chairman of the Board*

51 Madison Avenue, New York, N. Y.

ALFRED L. AIKEN, *President*

Safety is always the first consideration . . . Nothing else is so important

EDITORIAL COMMENT

Great Opportunity Is at Hand

THOSE companies or general agents that are passing by the amended social security act and not using it as one of the greatest opportunities for producing life insurance will lag greatly in the procession. In the first place, this gives an unusually friendly and effective approach because every man is interested in just what the workout sheet of the government plan shows will be the benefits in his case. When an agent is well qualified and can readily figure what a man will receive in the way of monthly income at his retiring age, 65, what his dependent children and what his widow will receive, it makes an impression immediately.

Then he can very well explain with his insurance application what the social security act does not do. There are gaps and it is just there that life insurance steps in. The workout will prove of particular interest to those whose compensation ranges from \$3,500 down. As pointed out previously, the opportunity is now at hand for a life man to program the insurance of a prospect whose income is in the lower brackets, which was not theretofore practical. He will receive a certain amount from the government. That undoubtedly in almost all cases will not meet the standard that he desires. It will be of material help to him and, therefore, instead of paying for a certain amount of lump sum insurance he can purchase what income insurance

he can afford to supplement what the government will provide.

We are told that some companies and general agents are passing by this opportunity with a certain amount of indifference, feeling that it is a mistake to pay any attention to the social security act as now constituted. Already those that are using the material that is provided by the "Diamond Life Bulletins," for example, are making good progress.

It gives every agent a definite objective and an incentive. He has a very logical and natural excuse for seeing a prospect. Furthermore, in our opinion, unless agents cultivate their policyholders in these brackets rather assiduously they will be confronted with a high percentage of lapse because the policyholder, in his own mind, will figure that the government is providing his insurance and, therefore, he need not carry what he has been paying for in the past. Therefore, it behooves an agent not only to use the social security act as a business getter but to be so familiar with it that he can talk to his policyholders and convince them that they should save their old insurance, readjust it if desirable and dovetail it in with the social security program. The company or the agent who is overlooking the present opportunity to push for business hard by using the social security act workout is passing by a golden day. It is an instrument to promote new business.

The \$250 Death Benefit Plan

No UNDUE reassurance should be drawn from intimation, however well founded, that the SECURITIES EXCHANGE COMMISSION at the recent hearings on industrial insurance introduced a description of a hypothetical \$250 nation-wide funeral benefit plan merely as a cost yardstick and not because the SEC has any such scheme up its sleeve as a definite proposal.

Whatever the underlying purpose in putting it there, the record now contains a blueprint for a system of funeral benefits on a social insurance basis, for the entire population. Furthermore, while the blueprint is somewhat sketchy, it has the prestige arising from expert authority. The witness who testified on it was D. C. BRONSON, assistant actuary SOCIAL SECURITY BOARD. Though it was made clear that Mr. BRONSON was speaking in his own behalf and not for the board the significance of linking the plan with one of the board's experts will not be missed.

The reason why little comfort can be taken from the SEC's failure to confirm suspicions that its introduction of Mr. BRONSON's testimony was the first step toward a nation-wide system of funeral benefits that would largely supplant industrial for this purpose is that it would be highly improper for the commission or any of its insurance staff to admit or even hint what the ultimate report and recommendations of the SEC to the TEMPORARY NATIONAL ECONOMIC COMMITTEE will be, even though it may have its mind pretty well made up on some points. So, even if the SEC is already determined to do to industrial insurance what the TENNESSEE VALLEY AUTHORITY did to private utilities in its domain, an open admission now would not only be strategically unwise but would lay the SEC open to sharp rebuke by the TNEC, for which the SEC is making the insurance investigation.

Consequently any evidence as to the

SEC's intentions toward industrial insurance must be almost entirely circumstantial but there are quite a few bits, when pieced together, which point toward an aim to socialize funeral benefits for the general population, thereby obviating one of the principal roles of industrial insurance.

Back of whatever the SEC is up to looms the ROOSEVELT administration's social insurance program. Social insurance is one of the foundation stones of the New Deal and the broadening of social security to take in funeral benefits would have considerable political appeal as a means of making the public more appreciative of the benefits of social insurance. If it were not for this espousal of social insurance, Mr. BRONSON's testimony would not raise so much speculation among insurance men.

Of comparable significance is the type of questioning during the recent hearings devoted to industrial. Emphasis on aspects which could be made to look unfavorable was even more pronounced than in the case of hearings on ordinary. To appreciate the distorted picture that was presented, it is only necessary to contrast the impression of industrial that a layman would have got from listening to the hearings as compared with his ideas if he had gone out and studied industrial exhaustively at first hand. Surely, in the dozen days that were devoted to hearings on industrial, a little time could have been devoted to presenting the favorable side of the picture.

In a fair and objective investigation, it is difficult to see how anything would have been lost by admitting that the industrial

insurance business has done a difficult job and by and large done it excellently. The SEC's constant hammering at the less favorable aspects cannot but generate a suspicion that it has some preconceived objective in the back of its mind. Perhaps this is merely the federal control of industrial along with the rest of insurance. But the SEC's attitude, coupled with the ROOSEVELT's administration's commitment to social insurance justifies at least the suspicion that the hypothetical nation-wide funeral benefit plan introduced in the evidence may later be proposed as an extension of the existing social security system.

In addition to the evidence elicited at the hearings there must also be considered the presumable sentiments of the SEC, as reflected in the attitude of its special counsel, GERHARD GESELL, in questioning the witnesses. By the type of his questions and by their wording, he was obviously attempting to limit the concept of industrial to burial insurance. In the case of one company executive who testified that the field for industrial is considerably broader than mere burial insurance, GESELL went to considerable lengths to try to get him to agree that industrial is, after all, mainly to cover funeral expenses.

Why this strenuous effort to narrow the role of industrial to the function of burial insurance? Could it be because burial insurance would better lend itself to social insurance treatment than would insurance taken for a wide variety of purposes?

The insurance business can hardly be considered oversuspicious if it adopts as a working basis the likelihood that strong efforts will be made to add funeral benefits to the present social security system.

PERSONAL SIDE OF THE BUSINESS

S. A. Bishop, cashier Travelers Indianapolis branch, was felicitated on completing 20 years with the company. He spent three years in the 55 John street office, New York, going to Indianapolis 17 years ago.

C. A. Craig, chairman of the board of the National Life & Accident of Nashville, and a past president of the Industrial Insurers' Conference, and Mrs. Craig celebrated their golden wedding anniversary, Sept. 11.

Nine "Old Timers" of the Willard Ewing agency of Provident Mutual in Chicago whose service totals 182 years, met for luncheon with Mr. Ewing as host, to honor the 28th Provident Anniversary of E. J. Smith, who leads all Provident agents in the Chicago area in total insurance in force. In the group, with their terms of service with Provident Mutual, were G. F. Little, the Dean; E. J. Smith, and F. W. Stevens, 1911; Willard Ewing, 1913; C. C. Davis, 1918; Sylvester Jones, 1923; W. E. Little, 1926; A. H. Beckwith, 1927; and John Ruckman, 1931. Their service averages 20 years per man. Except for Mr. Ewing, who started with the company

as a home office clerk in Philadelphia, all have continuously represented the Provident in Chicago.

H. W. Huston, veteran manager of Continental American Life's Peninsula branch in Salisbury, Md., was given a surprise 50th birthday party, the 30 members of the agency presenting him 61 applications, 42 being paid for, representing business done during Aug. 14—Sept. 14. A cake was presented bearing 40 candles which were lighted by chief producers. Home office men attending were: Dr. C. L. Benner and D. E. Jones, vice-presidents, and L. C. Kiesling of the agency department. J. H. Hazel, Dover, Del., was special manager for the group in the campaign. He recently was honored on his 25th anniversary of service with Continental American, and the Peninsula branch designated September as "Henry Hazel Month."

J. P. Mullane, general agent Columbian National Life, Kansas City, will be honored at a breakfast there Sept. 30 by many friends in and out of the insurance business on his 30th anniversary as general agent of that company. Among those who will attend are A. A.



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McFall, vice-president in charge of agencies; J. K. Howard, vice-president and secretary, and others from the home office. A number of Kansas City general agents and agents, including H. F. Buckles, the company's general agent at Kansas City, Kan., and prominent business men of the southwest will be present. From afar will be Jack McCord, general agent Columbian National at Los Angeles, and these other Columbian National general agents: Hal Johnson, Wichita; Earl Spink, Jacksonville, Ill.; G. L. Dyer, St. Louis; Ralph DeMarías, Des Moines; Vince Pobrislo and Adam Wagner, Denver; E. E. Lamb, Chicago, and H. F. Buckles, Kansas City, Kan.

A. E. Braun, president Reliance Life, is general chairman of the Community Fund Campaign in Pittsburgh. A. W. Robertson, chairman of the board, Westinghouse Electric and Manufacturing Company, and a director of Reliance Life, will serve as associate chairman.

J. M. Smith of Memphis, Tenn., manager of Volunteer State Life, and his wife announced the marriage of their daughter, Gertrude Norman, to R. B. Fulton of Memphis.

M. J. Mullen, director of publicity, General American Life, has been elected to the board of governors of the Advertising Club of St. Louis.

F. L. Hildebrand, general agent Illinois Bankers Life at Kansas City, has been named on the board operating the municipal auditorium.

J. C. Rasberry, general agent Volunteer State Life, Kingston, N. C., is recovering from injuries received in an automobile accident in July.

P. J. Kieffer, Chicago general agent of the Ohio State Life, was the honor man for August. For two months he has been the top man in the amount of business paid for. He is a member of the 1939 Honor club.

C. R. Hendrickson of the Lincoln, Neb., agency of the Bankers Life of Iowa, will go to the Mayo Clinic at Rochester, Minn., for treatment of injuries suffered last February in the Pony Express train wreck in Wyoming. He has been in considerable pain and decided upon a thorough examination in the hope that the nature of his internal injuries can be diagnosed and treatment prescribed.

Mrs. P. M. Cort of Springfield, Mass., was instantly killed, and her husband, **Dr. P. M. Cort**, associate medical director of the Aetna Life, was seriously injured the past week when their car crashed into a parked truck.

At the annual convention of the **American Legion** in Chicago this week there are two prominent insurance executives who were former national commanders. They took a prominent part in this year's deliberations. The two men are F. N. Belgrano, Jr. of San Francisco, president Pacific National Fire, an affiliate of Occidental Life, and Ray Murphy, New York City, assistant general manager of the Association of Casualty & Surety Executives, formerly Iowa insurance commissioner.

Mr. Murphy is chairman of the American Legion foreign relations committee.

W. C. Conley, Jr., actuary of the Michigan department, has been given the additional duties of second deputy commissioner. He succeeds in the second deputy's post L. H. Sanford, who has resigned to become head of the accounting division of the newly organized Mid-America Insurance Company, Detroit automobile carrier with finance company connections. The company was founded a few weeks ago by C. M. Verbiest, a former associate of D. F. Broderick, who has been forming a fleet around the nucleus of the Dearborn National Fire of Detroit.

The new second deputy commissioner came to the department's actuarial division in the summer of 1935 from the Central Life of Des Moines, with which he had been connected since leaving the University of Michigan where he earned a master's degree in actuarial science.

Harry H. Pace, president of the Supreme Liberty Life of Chicago, the well

known negro company, has been elected on the board of Morehouse College and Atlanta University.

Amicable Life—August was the best month for 3½ years, with volume 21.73 percent ahead for the first eight months over the same period in 1938.

DEATHS

Miss Marie Haug, 47, assistant treasurer of the Empire Life & Accident of Indianapolis for 19 years, died after a brief illness.

C. M. DeWitt, 71, Wisconsin state manager the Woodmen of the World from 1921 until several years ago, died at his home in Milwaukee after an illness of three months.

H. H. Winn, Jr., San Antonio office of the Travelers, was called to Wichita last week following an automobile accident which caused the immediate death of his father, mother, and sister, Mrs. R. W. Scarritt of Enid, Okla. Richard Scarritt, two year old son of Mrs. Scarritt, escaped injury and was the only occupant of their car to survive.

D. L. Armstrong, 48, secretary-agency director Texas National Life, Houston, died of injuries received in an automobile accident at a McAllen, Tex., hospital.

O. W. Titman, 47, San Antonio, Tex., agency manager Texas State Life, died of injuries received in an automobile accident near Arlington, Tex.

COMPANIES

Great-West Life Arranges War Service Protection

MONTREAL—Great-West Life has adopted a comprehensive plan providing for liberal monthly allowances to employees volunteering for active war service and for maintenance of their pension and group insurance benefits. The company will make every effort to keep open a position for employees who enter service and wish to be reemployed on termination of war service. The full salary will be paid for one month and afterwards the difference between salary and army pay and allowances in the case of married men, will be paid. Special consideration will be given to single men without dependents the difference between two-thirds of salary and army pay and allowances after also paying the full salary for one complete month as in the case of married men, will be paid. Special consideration will be given to single men with dependents. In all cases contributions to the pension fund will be continued and the employees group insurance benefits will be kept in force.

At the same time there was announced a schedule of benefits for Canadian members of the sales force not remunerated by salary who volunteer for active service. During their period of war service full payment of their renewal commissions will be continued and special arrangements are being made to maintain their pensions and group insurance benefits.

Defer Injunction Hearing

A hearing on making permanent a temporary injunction against the Texas Mutual Reserve Life of Tyler was deferred in district court at Austin until Oct. 21. Wilton Daniels of Tyler continues as temporary receiver and the temporary injunction also is continued in effect.

Bid for American Life

LANSING, MICH. — Judge Leland W. Carr of Ingham county circuit court has signed an order fixing Oct. 17 as the final date for receiving bids for reinsurance of the American Life of Detroit. The company was placed in permanent



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This 5 Star annuity policyholder is pleased with his contract, and rightly so. In it he has a *flexible* retirement-protection contract that provides money every month—for himself if he lives and for his family if he dies. Here are the five star points of this policy—proved a sales leader by LNL field men:

- Income for life.
- Available when desired.
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- Preferred Risk rate.



THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

FORT WAYNE, IND.

ITS NAME INDICATES ITS CHARACTER

receivership a week ago following a supreme court decision upholding the Ingham court's action in ordering a temporary receivership a year ago last spring. Commissioner Emery is the permanent receiver. The department is already considering several offers from well-established companies which had tentatively submitted bids before the receivership was made permanent.

Northern, Canada, Advances Bonnycastle and Sharpe

L. C. Bonnycastle has been appointed treasurer and H. L. Sharpe, actuary of Northern Life of London, Ont. Mr. Bonnycastle previously has been assistant treasurer. He went with Northern Life in 1932 on his return from Oxford, which he attended as a Rhodes scholar. He will devote his time largely to investments. He is a fellow of the Actuarial Society and American Institute of Actuaries.

Mr. Sharpe formerly was assistant actuary. Before joining Northern Life he had considerable insurance experience with American and Canadian companies. He will have charge of the underwriting, policy and actuarial departments.

Lincoln Liberty Named in Suit

LINCOLN—Four participating policyholders of Lincoln Liberty Life have instituted court proceedings in which they charge improper division of funds between participating and non-participat-

ing phases of the company's business.

They claim that Director Smrha denied them access to company records despite the fact that an auditor employed by them reported that \$37,745 had been wrongfully credited.

Amended Agreement Effective

NASHVILLE, TENN.—Commissioner J. M. McCormack has been notified that an amendment to the reinsurance agreement under which the Kentucky Home Mutual Life handles the business of the defunct Inter-Southern Life, designed to place death claim payments upon the same basis as payments to living policyholders has been approved by Circuit Judge W. B. Ardrey of Frankfort, Ky., and is in effect. The amendment and agreement had been previously endorsed by the Tennessee, Ohio, Indiana, Florida, Alabama, and Kentucky departments.

Issues Kansas History Sketch

Manhattan Mutual Life has issued the first of a series of eight biographical sketches on "Colorful Kansas." Former Vice-president Charles Curtis was featured.

Western & Southern Increase

The Western & Southern Life has increased its capital stock from \$15,000,000 to \$20,000,000. The new financial arrangement will include 400,000 shares of stock at a value of \$50 a share.

New General Agent Named for the Wheeling Office

Massachusetts Mutual Life has appointed N. G. Patrick, general agent at Wheeling.

He succeeds C. D. Kelley who returns to personal production. Born at Goheenville, Pa., Mr. Patrick was educated at Akron University. He entered the life insurance business, April 1, 1928, as salesman for Metropolitan Life, being a consecutive daily producer for a period of 18 months from his induction into the business. After two and a half years in the field, he decided to devote full time to ordinary sales, and returned to school to further equip himself for this work. In November 1932, he reentered the life insurance business as manager for an insurance and mortgage enterprise in Akron.

Appointed district manager for Provident Mutual at Akron in March, 1933, his personal sales were \$202,000 in the ensuing nine months, much attention being devoted to recruiting and training agents. In April, 1936, Mr. Patrick became Ohio state agency manager for Continental American, opening branch offices at Youngstown, Toledo and Columbus.

Since Jan. 1, 1938, he has been assistant to E. Leo Smith, Massachusetts Mutual general agent at Indianapolis.

Mr. Patrick will be officially installed at a luncheon tendered by the company at Wheeling, on Oct. 3, by E. L. Mallon, assistant director of agencies.



Ned C. Patrick

COAST

Cannot Use Scrip to Pay Premiums

SAN FRANCISCO — Attorney-general Warren of California has ruled that the so-called 30 Thursday warrants included in the "ham and eggs" pension program now before California voters, cannot be used for payment of insurance premiums or to pay losses. He rules that companies or brokers accepting unstamped or partially stamped warrants would violate the anti-rebate sections of insurance code. He also ruled the warrants cannot be accepted for investment by insurance companies or trust funds. Known as the retirement life payments act, the measure proposes to pay all Californians over age 50 who do not work \$30 a week in these warrants, which must be redeemed by payment of 2 cent stamps weekly, making \$1.04 in a year. These stamps must be purchased in U. S. cash. The measure also provides a 3 percent gross transactions tax on all individuals, firms and corporations and gives the administrator of the plan full control over all public funds in California, cities, counties and state. It provides for establishment of a state bank and provides further that its provisions and rulings of administrator cannot be changed by the courts. The measure also names the promoters for appointment as administrator by the governor who must select one of the two.

Insurance Men Organize to Fight "Ham and Eggs" Plan

SAN FRANCISCO — Agents, brokers, company employees and executives were urged at two meetings to "suspend business" in order to devote the time up to Sept. 28 toward getting voters to register so they will vote against the California "ham and eggs" pension scheme. Some 700 life men met here and heard C. R. Page, president Fireman's Fund and chairman of the insurance committee opposing the projects. R. G. Vandegrift, general agent California-Western States Life, Oakland, and former state director of finance; H. K. Cassidy, president San Francisco Life Underwriters Association, and Lloyd Graybiel of the American Trust Company. They pointed out why the proposal is the most dangerous piece of proposed legislation ever presented to the American people to adopt.

The powers given by the 15,000 word amendment put the administrator of the plan above the governor, legislature and courts, with complete control of all public monies in the state, including those of counties and municipalities. The proposed 3 percent tax will cost each "worker" in the state approximately \$625 a year and the California insurance companies enormous sums because of retaliatory laws, they said.

Similar information was presented at a meeting of fire and casualty company executives, where Mr. Page said the

LIFE AGENCY CHANGES

Gantz Takes in Brothers as Partners in Agency

Joseph M. Gantz, Cincinnati, general agent Pacific Mutual Life, has taken into his agency as partners his two brothers, David M. and Harry S. Gantz, who have been associated with the agency since 1931.

Following their graduation from Harvard and the University of Wisconsin, respectively, the two brothers entered the life insurance field at Detroit, and at the end of two successful years they returned to Cincinnati where they became identified with the Gantz agency.

Ranked as one of the leading general agencies of the nation, the Gantz organization has represented Pacific Mutual for 21 years.

Liebkeman Joins Harriss as Joint General Agent

NEW ORLEANS—G. F. Liebkeman, Jr., of Memphis has been appointed general agent by Massachusetts Mutual Life for New Orleans and will be associated with Walter Harriss, the general agent here since 1914. The office will be known as the Harriss-Liebkeman Agency.

Mr. Liebkeman joined the Memphis agency in 1931. He will be in charge of sales and service. Mr. Harriss will continue as general agent.

Jefferson Standard Changes

Jefferson Standard Life announces the following agency appointments:

C. E. Riddle is named manager at Fort Smith, Ark.

Emmett R. Aiken becomes manager at Los Angeles.

A new branch office has been opened in Long Beach, Cal., with Fred S. J. Hancock as manager.

Recent changes in the district manager setup have been made.

Albert S. Adams, formerly an agent at Phoenix, Ariz., has been made district manager at Phoenix.

B. A. Broome has been appointed district manager at San Diego, operating under Long Beach.

George W. Taliaferro, formerly of Harrisonburg, Va., has been appointed district manager at Charlottesville, Va.

Takes Up New Duties as St. Louis General Agent

Verner F. Larson, who has now taken up his new duties as St. Louis general agent for American Mutual Life, had been connected with North American Life of Chicago since 1934.

He had served as director of agencies for the southwestern division with headquarters at St. Louis and Kansas City. His experience in life insurance covers a period of 30 years during which he has seen service with New York Life in Des Moines, with the old Aegis Life in Denver as secretary and agency manager of Central States Life, as well as with North American Life.



Verner F. Larson

Reeves Succeeds Hearle

ATLANTA, GA. — E. S. Reeves, the new manager for the Atlanta and northern Georgia territory of Jefferson Standard Life, has moved into the company's offices at 620-623 Citizens & Southern Bank building and has started organization of his territory. He succeeds P. H. Hearle as manager for the territory.

J. H. Bodenheimer Resigns

J. H. Bodenheimer, general agent for the Lincoln National Life in New Orleans for the past 8½ years, has resigned to devote his full time to his rapidly-increasing general insurance business.

Hadley Appointed at Toledo

TOLEDO, O.—C. S. Hadley, formerly of Gary, Ind., was appointed general agent here by Equitable Life of Iowa. Fred Zweifel, former general agent at Toledo, will continue as a special representative.

Adams Goes to Texas

PITTSBURGH — V. J. Adams has been appointed manager northeast Texas

department of Reliance Life with headquarters in Dallas. He joined the firm in 1918 as a general agent in Knoxville, Tenn., and has built successful agencies in Memphis and Cleveland.

American National Promotes Two

R. B. Morrison, formerly of Dallas, has been named manager at Wichita, Kan., by the American National Life, succeeding A. J. Hukensbeck, who has been named supervisor at Los Angeles.

Kral Appointed Special Agent

E. V. Kral, Denison, Ia., was appointed special agent for Northwestern Life of Milwaukee. His offices will be at 205 Laub block. He will have the Denison and Carroll, Ia., territory.

Miller Promoted by Equitable

C. E. Miller, who has been district agent at Atlantic, Ia., for the Equitable Society, has been promoted to the district agency at Waterloo following consolidation of the Waterloo and Dubuque agencies.

Bonifield Returns to Franklin

C. W. Bonifield has resigned as Chicago assistant manager with the Reliance Life of Pittsburgh to return to the Franklin Life as a special representative on the south side of Chicago where he will maintain his own offices affiliated with the F. J. Budinger organization. Mr. Bonifield was previously assistant manager of the Franklin Life in Chicago where he made a fine record in both agency and personal production. His personal production since 1928 averaged about 200,000 and one year with the Franklin he led the entire field force in premium volume.

George Smith's New Work

G. W. E. Smith, formerly special agent in Indianapolis for the Equitable

meeting of the life men inspired the gathering and called for additional activity on the part of the fire and casualty fraternity. At his suggestion all companies agreed immediately to wire all special agents in the field to drop everything and concentrate on working with agents to get out the vote.

Institute Movie Given Preview

A preview of the Institute of Life Insurance motion picture, "Yours Truly, Ed Graham," was held for the benefit of San Francisco life managers and general agents, under the supervision of H. E.

Anderson, New York Life, chairman public relations committee San Francisco Life Underwriters Association. Arrangements are being made to show the picture to a number of organizations in the San Francisco area.

Plan Conference Oct. 21

W. W. Jaeger, vice-president and Marvin Lewis, superintendent of agencies of Bankers Life of Des Moines, are due in San Francisco Oct. 21 to conduct an agency meeting with the A. F. Smith northern California agency.

LIFE SALES MEETINGS

Volunteer State Agents Confer

CHATTANOOGA, TENN.—A new procedure of small regional meetings attended by all representatives was inaugurated by Volunteer State Life at a meeting of all Tennessee field men here. President Cecil Woods presided as general chairman, outlining progress made this year. J. H. Jarvis, southeastern Tennessee manager, talked on "Selling for Profit"; J. M. McGaughey, Chattanooga, on "Dramatizing Your Sales Talk," and Dr. J. B. Steele, vice-president and medical director, on "Modern Trends in Underwriting."

Other Talks on Program

After luncheon J. L. Wright, manager life department of the Cooper, Coffman & Brooks general agency, Knoxville, presented "Selling the Younger Business Man." T. F. Bourke, agency vice-president, spoke on "Making Big Ones Out of Little Ones," and A. E. Archibald, actuary, on "Why We Emphasize Conservation." T. M. Divine, Chattanooga supervisor, spoke on "Life Insurance as a Career," T. W. Barron, Nashville manager, on "How to Find Buyers in the Smaller Towns," and W. D. Bacon, home office agency department, on "Sales Material—Your Silent Partner."

Talks by J. W. Bishop, Chattanooga, on "How to Sell Business Insurance," J. M. Smith, of Smith & Glover, Memphis, on "Conserving City Business," and H. M. Piper, manager at Bristol, on "Building Personal Prestige," concluded the conference.

Lincoln National's Michigan Gathering

More than 125 agents, home office men and visitors were present at the Lincoln National Life conference for Michigan agents at Grand Rapids. Present from the home office were: Chairman A. F. Hall, Vice-president A. L. Dern, Superintendent of Agencies J. P. Carroll, Associate Actuary C. R. Ashman, and Chief Underwriter D. B. Semans.

Mr. Dern delivered the opening address. General Agent A. G. Green of Grand Rapids presided as toastmaster at the luncheon and introduced 20 prominent business and professional men of the city. At the luncheon session Commissioner Emery, delivered a talk on the functions of the insurance department. Chairman Hall pointed out the institution of life insurance would not be adversely affected.

Round Table Discussion

Round table discussion subjects and leaders during the afternoon session were: "Every Day Programming and Raising the Average Size Application," by J. P. Carroll; "Prospecting and Systematic Production," by G. F. Lofthouse and J. A. Sandham, general agents in Detroit and Cass City respectively; and "Preparing for the Interview and Presentation," by J. B. Ames and M. J. Marney, general agents in Detroit and Pontiac respectively.

President Fulton Meets Field Men

NEW YORK—President J. A. Fulton of the Home Life is now meeting with small groups of salesmen in one-day conferences during September and October. Invitations were issued to selected salesmen who had done a job production-wise during the summer. The purpose of the meetings is to permit Mr. Fulton to have personal contact with the problems of the man in the field.

One of the few life company presidents who began their careers as life insurance salesmen, Mr. Fulton is relying on these "one-day get-togethers" to maintain a perspective of sales problems under present day conditions.

Metropolitan New York representatives and those in New England are meeting in New York City, the middle-Atlantic representatives in Washington, D. C., mid-western and southern salesmen in St. Louis, and salesmen from the upper-Mississippi valley at the Edgewater Beach hotel in Chicago. Great Lakes salesmen are having their meeting in Niagara Falls.

Pan-American Has St. Louis Gathering

Pan-American Life held a divisional agency convention at St. Louis last Friday and Saturday and many of those attending remained in the city for the sessions of the National Association of Life Underwriters this week. President Crawford H. Ellis presided at the opening session. Vice-president Edward G. Simmons gave a talk. Other speakers at that session were Dr. Marion Souchon, medical director; E. H. Heblett, vice-president and general manager and F. T. Limont, superintendent of agencies.

Mr. Limont presided at the afternoon session Friday when a clinic on objections was led by Miss B. B. Macfarlane, Louisiana-Mississippi supervisor, with a number of collaborators. There was a dinner that evening followed by the showing of the moving picture "Yours truly, Ed Graham," followed by dancing.

Mr. Simmons and Mr. Hezlett were the presiding officers at the Saturday morning session. Talks were made by C. J. Mesman, assistant manager U. S. agencies; P. L. McKenzie, Ralph H. Hester, L. A. Goodman, H. J. Hughes, T. N. Whitehurst, L. J. Ault, W. C. Hester, R. L. Nauts, Mr. Limont and President C. H. Ellis. In August Pan-American had a divisional agency convention at Asheville, N. C.

Security Mutual Convention to Be Held Oct. 5-6

The annual agency convention of the Security Mutual Life of Nebraska will be held in Lincoln Oct. 5 and 6. E. A. Frerichs will preside.

The program includes "What's in a Life Insurance Policy," by V. L. Thompson, agency manager Midwest Life of Nebraska, "The Value of Build-

\$10,000 a Day

Merchandise does differ. Some has buyer appeal. Some arouses buyer resistance. Continental endeavors insistently to minimize buyer resistance.

\$10,000 a day is enviable production. Yet... a new general lines agency... unseasoned in life insurance... produced \$82,000 in its first eight days... Unit Pension Plan was the medium.

Unit Pension Plan... a combination of life insurance, time insurance and retirement insurance... is a practical dollars-and-cents illustration of Continental co-operation... typical... exclusive... Write us and we will write you. Perhaps a Continental agency contract is desirable... very.

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CONTINENTAL CASUALTY COMPANY

ing Morale in Business," by J. H. Agee, general manager Lincoln Telephone & Telegraph company; "The 'You' in Selling," by M. A. Hyde, vice-president.

Frank Benson will be leader of a round table discussion on successful prospecting. He will be assisted by M. V. Jacobson, L. H. Ferguson and J. H. Ewing. A round table discussion on prospecting through client building, will be lead by L. J. Davis, aided by C. E. Randolph, C. F. Darnold, Darrell Randall and W. J. Davies.

Talks on company affairs will be made by President Stephenson, T. A. Sick and Donald Parker, home office staff.

Montreal Staff Meets Cumming

MONTREAL—The Montreal staff of Monarch Life gathered with J. L. Routly, eastern superintendent, to welcome G. C. Cumming, general manager, who arrived from Winnipeg to congratulate the eastern division on establishing a new high production record in the third quarter year. Mr. Cumming reported gains this year. He will visit the Sherbrooke and Three Rivers branches.

Columbus, O., Agency Gathers

COLUMBUS, O.—G. A. Sattlem, superintendent of agencies Mutual Life New York, was guest of honor at a luncheon given by the Columbus, O., agency. Speakers included Roy Conover, district manager, Springfield, O.; John Finan, district manager, Zanesville, O., and Superintendent J. A. Lloyd of Ohio. Mr. Lloyd discussed development of his division and the part the life salesman plays in the present day world. Changing conditions in the life insurance business were discussed by Mr. Sattlem. The Columbus, O., agency was 15 percent ahead of last year in paid business, and for August its paid-for business amounted to 81 percent more than for the same month last year.

Manhattan Life Convention

Thirty of the leading agents of the Manhattan Life from various sections, together with home office officials went to Quebec to attend its 89th annual agency conference.

Executives who took part included J. P. Fordyce, vice-president and director of agencies; V. H. Edmondson, superintendent of field service; E. A. Porter, actuary; R. L. Kimberly and E. F. Gordon.

The Halsey Cup emblematic of the leading agency during the past year was awarded to John A. Campbell of New York.

Paid for new business for the first eight months was 34 percent over the same period of 1938, company officials announced. It is interesting to note that from the creation of the Manhattan Life in 1850 until February, 1937, a Halsey had been associated with the company. J. L. Halsey, father of H. R. Halsey, helped to organize the company

Agency Meeting Is Held at Camp Warnecke, Tex.

The eighth annual agency camp of the O. Sam Cummings agency of the Kansas City Life at Dallas was held at Camp Warnecke, New Braunfels, Tex. Company officials in attendance who made addresses were President W. E. Bixby, Agency Vice-president J. F. Barr, Vice-president and Actuary J. A. Budinger and Dr. H. A. Baker, medical director. Dix Teachenor of Kansas City, the Kansas City Life's leading producer, was present, as was L. C. Mersfelder, Oklahoma general agent. Both of these producers made addresses. Mr. Cummings was in charge and appeared on the program. O. R. Eby, Houston manager, A. W. Warner, manager at San Antonio, F. R. Cowart, Houston, J. D. Wren, Houston, J. E. Pennington, San Antonio, Delma C. Ellett of Fort Worth, and N. C. Forrester of San Angelo were the new members of the organization who had not previously appeared on any agency program.

The assemblage this year was significant as the agency had just completed an excellent month's production in honor of President Bixby during August. There was \$148,000 of new business presented to President Bixby while he was attending the camp, all of which had been written in September. The production of the Texas agency at the end of August was 26½ percent ahead of the similar period last year. September production up to the middle of the month was in excess of all of September last year.

and at the time of his retirement in 1905 was vice-president. H. R. Halsey joined the Manhattan Life in 1882 and remained until 1937 when he was killed in an accident.

In 1932 the directors presented Mr. Halsey a loving cup upon his completion of 50 years of service with Manhattan Life. Because of his interest in his company, Mr. Halsey placed the cup at the disposal of the president to be competed for annually by the agency forces.

Hill, Chapman, Emerson Speak

G. L. Hill, director of agencies, Northwestern Mutual Life; W. R. Chapman and R. W. Emerson, assistant directors, spoke at the Northwestern Mutual get-together luncheon during the National convention in St. Louis.

Dedicate New Home Office

CLEVELAND, O.—Superintendent J. A. Lloyd of Ohio, G. W. Cox, vice-president North Carolina Mutual Life, and Mayor H. H. Burton of Cleveland were among speakers at formal dedication of the new home office of the Dunbar Mutual Insurance Society here.

Iowa agents of Indianapolis Life held a convention at Marshalltown.

INDUSTRIAL

Discuss the Plans for 1940 Convention

Enthusiastic plans for the continued advancement of the Industrial Insurers' Conference and the discussion of subjects of vital importance featured the mid-year meeting of the executive committee, at Atlanta. On account of the large number of business matters Chairman H. T. Dobbs invited representatives of all conference members to attend and the session developed into the character of a semi-annual meeting of the full conference with 31 companies represented and an attendance of 43 executive officers.

Much attention was given to the program of the 1940 convention to be held at a place and time to be designated later. Concrete ideas were offered by President F. P. Sanford, Chairman G. R. Kendall and J. R. Leal of the program committee and numerous other members.

According to custom, the executive committee nominated five convention sites, and will ask a mail ballot by members, who will designate their first and second choices. The sites suggested are Birmingham, French Lick Springs, Washington, Atlanta and White Sulphur Springs. The executive committee later names the date.

The suggestion was made by President Sanford that the program deal with present day affairs, present problems and progress for the future. It was determined that the 1940 convention dates fall on Wednesday, Thursday and Friday, instead of the last three days of the week as in the past several years.

Interesting reports were made by Chairman P. M. Estes and James Finlay of the committee on laws. The accomplishments of the organization since the 1939 annual meeting were cited in the report of Executive Secretary Raymond Daniel.

The conference adopted resolutions prescribing the worth of and regard for the late W. W. Crisp, vice-president of the Continental Life of Washington, chairman of the committee on membership and an active member of the organization.

A vote of thanks was given to Chairman Dobbs, first vice-president of the Industrial Life & Health of Atlanta, who acted as host, entertaining the visiting members at luncheon. Upon motion of Past President C. A. Craig, the thanks of the conference were extended to Executive Secretary Raymond Daniel.

John Hancock Is Making Changes

BOSTON — Changes in industrial agency management effective Oct. 2 were announced by the John Hancock. N. M. Olsen, manager at Roxbury, Mass., will retire and will be succeeded by F. J. Carr, former manager at Waterbury, Conn. A. L. Wholey will go from New Britain, Conn., where he has been manager, to manager of the Waterbury agency. E. G. Coppola, assistant manager at Providence, R. I., will go to New Britain, Conn., as manager.

C. H. R. Spinney will retire as manager at Quincy, Mass., and will be succeeded by H. C. Wadman, former field supervisor. Retirement also is announced of J. P. McCool, manager of Philadelphia 2, who will be succeeded by E. J. Lewellyn, now manager of Pittsburgh 2. M. P. Eckhardt, assistant manager at Philadelphia 3, will become manager at Pittsburgh 2.

A new district office will be opened at Torrington, Conn., to be managed by J. P. Sloane, formerly assistant manager at New Haven. A detached office at Bris-

tol, Conn., formerly under New Britain, will be included under Bristol.

Detroit Broadcast Cut Off

DETROIT—The latest attack on industrial life insurance in Detroit was ended when radio station WMBC agreed to drop a program of "exposure" broadcasts by "E. L. Marshall." His real name is E. L. Fedak, according to the Better Business Bureau, which investigated after complaints had reached it. The life insurance division of the bureau secured a copy of the script of one of Marshall's broadcasts and after perusing it suggested to the station management that it might be well to cut the alleged "exposure" off the air.

Marshall previously had attacked industrial life insurance through the medium of "Lightnin'," an exposure magazine he published in Detroit. He inferred that he was available for consultation on insurance problems. He also solicited financial support for his broadcasts.

POLICIES

Continental American Has New Income Option

Continental American Life has introduced a joint life and survivor income option which can be attached to any form of policy or annuity contract except term. It pays a set monthly income to the insured and "one other specified payee" until one of them dies; then it pays two-thirds of the original income as long as the survivor lives. This is the same type of retirement income as provided under the new social security law, and so the new option will be useful for programming in connection with social security income.

The rider does not tie the insured down in any way but is merely a privilege which is guaranteed and which the insured may exercise at retirement age 55, 60, or 65. The second payee is not named until the option is exercised. Income cannot be outlived by either payee. The option is restricted to policies having sufficient cash value to produce a minimum initial income of \$15 monthly, therefore, policies to which it is to be added must have cash value at age 65 of at least \$1,823 for males and \$2,028 for females.

There is a differential of five years between males and females in amount of income paid, as with standard annuity practices, males getting the same income as for females five years older. Illustrative monthly incomes for males per \$1,000 of cash value are:

Age at 55	at 60	at 65	Age at 55	at 60	at 65
25..\$3.86	\$3.98	\$4.11	60..	5.42	5.78
30..	4.00	4.14	65..	5.74	6.17
35..	4.17	4.32	70..	6.06	6.58
40..	4.36	4.54	75..	6.39	7.00
45..	4.59	4.80	80 or		
50..	4.84	5.09	5.35	over 6.70	7.40
55..	5.12	5.42	5.73		

New Juvenile Policy Announced

Ohio State Life has announced a new juvenile participating policy, a companion to the juvenile non-participating policy which it has been writing for several years. Under this series of juvenile policies, the minimum age limit is one week and the maximum age limit eight years. Juvenile policies will be issued on the following participating forms: 20 payment life, 20-year endowment, endowment at age 18, 20 payment life income endowment at age 60 and ordinary life. Ohio State Life policies provide full protection from the age of one week to 65 years.

Vincent Talbot, Rawley & Talbot, general agents at Newark, N. J., for the Northwestern Mutual Life, will be guest speaker at a meeting of the John A. Ramsay agency of the Connecticut Mutual Life, Oct. 2.

A. B. Scott, Atlantic Life, will give instruction in life insurance during the present term at the University of Richmond evening school of business administration.

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Large Company has opening for Agency Supervisor, Accident and Health department. Requires moving to Home Office, considerable traveling. Our force knows of this ad.

If interested and can qualify, write in confidence giving age, marital status, experience, reference, salary required.

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Excellent Opportunity for Qualified Man

MANAGERS

Can Apply Tested Auto Sales Methods

DETROIT—The highly efficient and tested sales methods employed by the automobile manufacturing companies, developed by years of intensive research, can be adapted to the life insurance business with but minor changes, F. J. Timmons, general sales manager Dodge Brothers, told the Associated Life General Agents and Managers. Donald Machum, manager, Manufacturers Life, presided.

"In the automobile field, as in the life insurance field, the keystone is the success of the individual salesmen," Mr. Timmons declared. "Bear this in mind, we direct our efforts to that end. We have found it necessary to train the men thoroughly and continuously."

Teach the Opportunities

"Selling stars don't need much training, but in our business as in yours, most of our salesmen are not stars, so we pitch our sales training to the level of the average man, who is neither very good nor very bad as a salesman."

"We first teach the opportunities that lie ahead of him. We impress upon him that he never needs to apologize to any man for asking him to buy an automobile. If that fundamental of our business is true—and we are sure that it is—then it must be even more true of your business."

Sell Him on Product

"Next we ground the salesman in the merits of our product. We like to have salesmen work OUR way. We have studied the best ways to sell an automobile to a prospect and we think that with years of experience of the entire industry to draw upon, we know the most effective way to do it."

"Our salesmen, in order to be successful, must be assured of an income sufficient so they will not spend half their time worrying about paying their bills when they should be selling automobiles. The salesman who is making money is happy, alert and confident: he is a good salesman."

Fort New Des Moines President

DES MOINES—Grady V. Fort, general agent Equitable Life, was elected president of the Des Moines General Agents & Managers Club at the annual meeting. Harry H. Haskins, Iowa state agent John Hancock Mutual, was elected vice-president, and L. W. Secor, general agent Washington National, reelected secretary-treasurer.

The General Agents & Managers Club will hold a breakfast meeting on Oct. 4. Robert Howard of the W. H. Millhaem Advertising Agency will show a movie on the proper approach and technique in selling.

Knights Life Promotions

The Knights Life of Pittsburgh announces the following promotions:

Agent John Taylor, Pittsburgh No. 1 to assistant superintendent Pittsburgh No. 1. Agent E. L. Breinig, Pittsburgh No. 3 to assistant superintendent Pittsburgh No. 3. Agent M. V. Gress, Harrisburg to assistant superintendent Harrisburg. Agent J. W. Alloway, Erie, to assistant superintendent Erie. Assistant Superintendent Florence J. Rosenberger, Pittsburgh No. 3, transferred to assistant superintendent Pittsburgh No. 1.

Several Showings in Atlanta

ATLANTA, GA. — The Institute of Life Insurance will exhibit its movie "Yours Truly, Ed. Graham" in Atlanta during the next two weeks at the Exchange Club, Ansley Hotel, Atlanta Life Underwriters Association meeting, Lyons Club, Henry Grady Hotel, Civilians Club and Junior Chamber of Commerce at the Ansley Hotel.

Schaeffer Upholds Thrift as a Mode of Life

CINCINNATI — Thrift as a mode of life, not as a passing episode, was stressed by E. H. Schaeffer, general agent Fidelity Mutual, Harrisburg, Pa., as all-important in winning life's battles in a talk on "Personal Money Management" at the first fall meeting of the Associated Life General Agents & Managers. He said:

"History is full of instances where victory in war came to the side with the most reserve. Life, too, is a battle and the individual's victory or defeat is determined very largely by his ability to accumulate reserves — reserves in health, character, knowledge, friendship and money."

Mr. Schaeffer stated that he thought life insurance men were the most careless people with money.

"Time is money," he emphasized. "If a man cannot save money on an income of \$100 a month, he cannot save if his income is three, five or ten times the amount. With most people, life is a series of hills and valleys—perhaps more valleys than hills — and worries that most people have are because they do

not save enough when they are on the hills to carry them through the valleys."

"In life insurance, there is a ready made plan to guarantee everything that the individual wants. Too few life insurance men use it adequately for themselves. The agent who builds up an adequate personal life insurance estate is not only providing financial independence for himself but increasing many fold his ability to persuade his prospects to emulate his example."

"A man is what he is because of the choices he has made. If a man adopts and adheres rigidly to sound financial plans, he cannot fail to achieve his objective. Times never were so good that a lot of agents and managers did not fail, and times have never been so bad that a goodly number have not prospered," he said.

Defining one's objectives is the factor of first importance in the problem of personal management. Mr. Schaeffer said that when he first became an agent almost 30 years ago, he very quickly decided he wanted to be more than just an agent. The ambition was early fixed

in his mind to have a small agency of his own.

When he was 17, he bought his first life insurance policy, a \$1,000 twenty pay life with an annual premium of \$29 which is still in force. When he was 22, he learned that the agent who wrote the policy got about \$13 first year commission. Mr. Schaeffer said that he thought this was too good to be true and he felt that agents' commissions were too high at that period and it would only be a question of time until they would be reduced to a point where agents' earnings would be brought to a line with what he then regarded as fair compensation for honest effort.

Before becoming an agent, Mr. Schaeffer was a school teacher earning \$100 a month for an eight months term. He decided that when he became an agent he would "make hay while the sun shone" and get as much business on the books as possible before commissions were reduced. In the light of subsequent years, he found that his apprehensions were unnecessary, but this childish fear, he said, furnished the urge for him to work diligently during the early years.

He said that he figured by writing enough business each year to earn sufficient first year commissions to provide a decent living that he could save his renewals, and by investing these in per-

Forty-Sixth Year of Dependable Service

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sonal life insurance would achieve a state of financial security far in excess of anything his family had been able to do. He set his first goal at \$25,000 premiums on a renewal basis of five percent; this goal was later increased to \$50,000, to \$100,000, and upwards. Mr. Schaeffer said that he knew of no other job where the worker was paid not only after the job was finished, but every year when the business was renewed.

Put Financial House in Order

At 51, Mr. Schaeffer said that he had put his financial house in order. He owns over \$100,000 in life insurance and annuities, cash values of which are approximately \$60,000 and he has about the same amount invested in other good bonds and securities. These things are mentioned, he said, only to show what the life insurance business has done for him. "What other business could have given me such reward, such contentment and such an opportunity to serve mankind? As a young man my ambition was to study medicine but the means were not available; could medicine, law, engineering, or any other field of endeavor have done as much for me as life insurance?" he asked.

Mr. Schaeffer said that he had never been a large producer. His annual average production has been about \$300,000, with \$500,000 in his best year. His agency's production averages about \$1,000,000 a year. "No one has ever classed me as being a high-powered salesman, a miser, or a selfish individual," he said.

He said that he did not allow his activities outside of business to run concurrently so that he would be forced to neglect his business or his family. He is president of the State Teachers College board of trustees, the school from which he graduated 31 years ago, and served as president Harrisburg Association of Life Underwriters and the Pennsylvania association, as director and vice-president Harrisburg Chamber of Commerce, and in many other activities.

True Measure of Success

According to H. G. Wells, "the only true measure of success is the ratio between what we might have done on the one hand, and the thing we have made of ourselves on the other." This is a good definition to use in setting a goal and defining objectives.

A man must decide definitely what he wants to do. If he decides he wants to be a general agent he should also decide what kind of agency he wants. Mr. Schaeffer said that he believed an agent took his counsel and advice more seriously when he knew that he is consistently producing a reasonable amount of personal business. He advised that general agents should not be in too much of a hurry to get away from personal production because of this.

Mr. Schaeffer stated that he would give a new agent anything but money. If an agent is to become a financial success, he'll have to learn early to stand on his own feet. He said that he wants agents to experience early the thrill of receiving renewal commissions. He also wants the agent to have a direct and personal interest in seeing that policyholders pay their premiums and it is likely that an agent will phone a policyholder who is near the end of the grace period or even make a personal call if necessary if he knows that on his next month's statement there will be a renewal credit there for him. Mr. Schaeffer's agency has 63 percent of all the business it has written in force since it started from scratch in 1917.

Saved Money on Accounting

He said that he saved himself a lot of money on accounting by inserting in all agency contracts a three year service clause as follows: "It is further agreed that regardless of the contents of any other section herein, if this agreement be terminated within three years from its date (except by the death of either party hereto), then in such event no further renewal commission shall accrue or be paid to said second party after such termination."

Income control encompasses a definite

objective and the ways and means of reaching it. Many agents balk at time control but they strive to practice income control. It is not difficult to convince an agent that this is the key to his whole financial problem and once he is started in this direction, he is furnished a monthly control record at the end of each month. This monthly record stimulates him to try to improve.

"Set an objective, stay put, and work it out," Mr. Schaeffer advised. "We are exactly the kind of men we really want to be."

Out of town guests included Roderick Pirnie, general agent Massachusetts Mutual, Providence, R. I.; Ellis Verink, manager Union Central, Chicago; L. J.

Chapman, Sales Research Bureau, Hartford; B. C. Thurman, assistant superintendent of agencies Mutual Benefit, Newark; W. O. Cord and L. S. Trout, Dayton; Thomas Williams, Portsmouth, and L. E. Gregory, Columbus, general agents Fidelity Mutual. Paul Johnson, Cincinnati general agent Fidelity Mutual, introduced Mr. Schaeffer.

New members are G. R. Hammerlein, general agent Minnesota Mutual, and T. M. Herman, general agent Northwestern National. G. T. Kennedy, vice-president of the organization, presided in the absence of R. C. O'Connor, Reliance Life, president. I. B. Jackson, Massachusetts Mutual, reported for the membership committee.

NEWS OF LIFE ASSOCIATIONS

Shugg to Lead Personnel Clinic in St. Louis

ST. LOUIS—A. P. Shugg, general agent Aetna Life, has been elected president of the recently organized Life Insurance Agency Personnel Clinic, which is sponsored by 12 of the leading insurance agencies and branch offices.

Other officers are: E. P. Connolly, Penn Mutual and A. E. Miller, Union Central, vice presidents. W. H. Van Sickler, State Mutual is chairman recruiting committee; F. T. Rench, National Life of Vermont, chairman training committee, and Carl Vaughan, Equitable of Iowa, chairman vocational testing committee. Lambert J. Case is executive secretary and director.

Wichita, Kan.—Earl Watson, Mutual Life of New York, past president, presided at the opening fall meeting in the absence of President Elmer Moore, who was attending the New York Life gathering in New York City. C. C. Day, Pacific Mutual General Agent of Oklahoma City, spoke on "The Sales Tract."

Social Security as Stimulus Explained by Beers

BIRMINGHAM, ALA.—How the social security act helps agents sell life insurance was described by L. A. Beers, field supervisor Protective Life, at a meeting of the Birmingham association. The new amendments were explained by M. C. Folmar, manager Birmingham field office of social security. Mr. Beers, a son of W. H. Beers, general agent New England Mutual Life, Rochester, N. Y., said social security had enabled him to sell \$208,000 of plus business from October, 1936, to May, 1938. Sales were made by two classes, those covered by social security and those not covered.

He sold a dentist an income policy with \$1,200 premium, the dentist and his partner having discovered that their three employees were better off than the heads of the concern since they could retire under social security at 65 and draw a monthly income. The dentist's



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partner also bought a large policy, as did the technician who wished to supplement the income he would draw from social security.

Beers said social security had directed the public mind toward monthly income and that is what the life insurance agent has been preaching for years. With insurance, he said, the person does not have to retire or die (as in social security) to draw the income, and the family in case of death can draw an income for the children regardless of their age, where social security restricts the income to under 18.

Mr. Beers said life insurance could be very helpful in supplementing social security and filling in the gaps. He mentioned particularly the possibility of building up a man's income from 55 to 65 when social security becomes operative. He also stressed the point that most men cannot retire on \$50 per month or less, as provided by social security, and should be sold more coverage, so that they can take advantage of the income to them under social security after 65.

"Gyp" Agents, Companies Scored by Williams

"Literally hundreds of unlicensed companies and agents are mulcting the unsuspecting public out of hundreds of thousands of dollars annually," Commissioner Williams told the Mississippi Association of Life Underwriters at their sales congress.

"Not only are they taking money and not delivering any contracts, but if contracts are delivered they are 'gyp contracts.' On their face they appear to promise one thing, but are always safeguarded by qualifying provisions usually by having the amounts set out preceded by the words 'not to exceed.'"

"Practices like this tend to destroy public confidence in the institution of insurance and to stiffen 'sales resistance' thereby making your work more difficult and your income smaller."

J. L. Denson, Jackson, president of the Mississippi association, was toastmaster at the banquet.

Shenandoah, Ia.—Delegates from Iowa, Nebraska and Missouri attended a meeting at the Delmonico hotel. F. S. Young, president southwest Iowa Life Underwriters, who was in charge of the gathering, announced that 50 delegates were present and more coming in. The meeting was one of the most successful held. Many were from Lincoln, Omaha and Des Moines. Ben Brower, program chairman, responded to the welcome by the mayor of the city. Ray Star, Shenandoah attorney, addressed the group on the subject of "Life insurance as it affects United States citizenship." The afternoon session was given over to several talks by prominent speakers.

Nashville, Tenn.—There will be started beginning Sept. 26 a series of weekly, 15-minute broadcasts over Station WSIX similar to those being given by life agents of Kansas City, Mo., over Station KMOX. The broadcasts are being handled by a special committee of which R. H. Works, Jr., is chairman, and President Hill, an ex-officio member. Powell Stamper, sales promotion manager, National Life & Accident, is supervising preparation of scripts for the broadcasts which are to run at least 13 weeks. The program will feature questions and answers concerning life insurance. Questions will be read by one person and answered by another. At least four life agents will be used on each broadcast and auditions for acceptable voices are now in progress.

Cherokee, Ia.—The first meeting of the fall season was held. Lee Miller is president.

Green Bay, Wis.—Plans for the new season were discussed at the opening

fall luncheon meeting. President Walter Wetzel read bulletins from the National association and considerable time was given to preparation for the "Annual Message of Life Insurance" next month. Frank Neu, chairman educational committee, reported that more than 30 underwriters have enrolled in the training course established at the local Vocational school.

Cedar Rapids—Effects of a world war on life underwriting were discussed. Oscar Anderson gave reminiscences of the underwriting during the world war of 1914-1918, and J. B. Heidel spoke on life underwriting as it applies to the present European war. Short talks were given by Ray Short and Mark Lilly. R. W. Weber, chairman of the program committee, outlined the programs for future meetings. E. C. Evans, president, presided.

Rhode Island—More than 300 members and business men heard R. B. Hull, general counsel National Association, speak on "Consumer Confidence."

Indianapolis—G. G. Terriberry of New York City, a member of the Million Dollar Round Table, will be the guest speaker at a luncheon. He qualified for membership by writing more than \$1,000,000 each year during the past 11 years. He is a representative of the Mutual Benefit Life. Virgil Samms, Indianapolis general agent, will introduce him. Mr. Terriberry is a graduate of Cornell and holds the mechanical engineer degree. He was formerly assistant manager of the Life Insurance Sales Research Bureau of Hartford, Conn.

Rochester, N. Y.—The annual clam-bake was held at Newport House on Irondequoit Bay, with an attendance of about 150. All members of committees, officers and directors met for dinner Monday to discuss plans for the year.

Dallas—Completing the committee organization of the Texas Association of Life Underwriters, President R. M. White announced the Leaders' Round Table Committee, with Alva Carlton, Houston, Great Southern Life, as chairman. Other members of the committee include: C. E. Seay, Dallas, Southland Life; W. L. Leavy, Fort Worth, Bankers Life; F. D. Falkstein, San Antonio, Aetna Life; J. H. Boothe, Sweetwater, Southwestern Life; D. L. Edgecomb, Lubbock, John Hancock Mutual Life, and Henry Coutret, Corpus Christi, Jefferson Standard Life.

Minneapolis—The third in the series of sales courses being given by the Minneapolis Life Managers Club and Minneapolis association will be conducted Oct. 2 at Hotel Radisson. J. D. Graham will discuss, "What's in a Policy?" and Byron Hannay will talk on "Filling Out the Application."

Kalamazoo, Mich.—Life men should concentrate their effort to a greater extent on "average" men and their families, John Moynahan, Chicago, manager of the Metropolitan Life, told members at the first fall meeting. The speaker said there has been altogether too much attention paid to the wealthy. This excessive concentration on 10 percent of the population, he asserted, has largely given rise to the belief of many that insurance agents are "persistent pests." W. G. Kelley introduced the speaker. The association, at its next meeting, Oct. 19, plans to give consideration to social security law changes affecting the business as well as to proposed state and national legislation.

Montreal, Can.—Isaac Kibrick, Million Dollar Round Table member, New York Life, Boston, is scheduled to address the association Oct. 16. Attendance at luncheon meetings will hereafter be restricted to members only with the exception that non-members shall be permitted to attend one meeting a year as the guests of a member. No non-member will be allowed to attend more than one meeting in any one year, as the directors feel that non-members should not enjoy the full benefits of membership.

Newark—J. E. Clayton, Day Agency million dollar producer, will be the first speaker of a lecture series on "The Million Dollar Underwriter."

Tentative subjects scheduled are: "What about him?" "What does he know

about the life insurance business, the buyer and a few sales ideas?" "What does he know about prospecting?" "What does he know about the approach and case preparation?" "What does he know about the presentation and close?"

"What does he know about business insurance?" "What does he know about estate distribution and estate taxation?" The first meeting will be held on Oct. 6 and every Friday thereafter for seven weeks.

AS SEEN FROM CHICAGO

BOWMAN AGENCY MEETING

Marquis Bowman, general agent of the Bankers Life of Iowa at Chicago, announces that on Oct. 21 there will be a special agency meeting at which will be present President G. S. Nollen and Director of Agencies W. F. Winterble.

PLAN FOR ZIMMERMAN DINNER

At the dinner to be given next Tuesday evening at the LaSalle Hotel in Chicago by the general agents and managers division of the Chicago Association of Life Underwriters to honor C. J. Zimmerman, the new president of the National Association of Life Underwriters, Vice-president A. E. Patterson of the Penn Mutual will speak. Mr. Patterson was formerly Chicago general agent of his company and was elected president of the National association,

being forced to retire from office when he was chosen vice president of his company. Short talks will be made by H. E. North, vice-president Metropolitan Life, and H. N. Chandler, second vice-president Connecticut Mutual. P. B. Hobbs, Equitable Society, will be toastmaster. A reception will be held at 6:30 p. m. prior to the banquet.

R. E. HANLEY'S RECORD

R. E. (Dick) Hanley of the Warren Woody agency of the Equitable Society in Chicago has again qualified for its Million Dollar Club. He has been four years and six months in the business and three times has qualified for the million dollar ranks. Before he entered life insurance in 1935 he was connected with football, both as a player and as coach. For eight years he was associated with

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Northwestern University. He is No. 9 on the Equitable's eight months honor roll. He is the tenth to qualify for the 1939 Million Dollar Club.

SALARY SAVINGS A FACTOR

H. A. Zischke, Union Central general agent at Chicago, reports a 20 percent increase in premium volume for the first eight months of this year over the same period the previous year for that agency. The new salary savings plan of writing all life coverages for employees of corporations by means of salary deduction is a factor in the increased premium volume. This is writ-

ten when a minimum of 5 percent of employees participate.

K. C. Life Trust Group Meets

KANSAS CITY—The executive committee of the Life Insurance Trust Council of Greater Kansas City met last week to lay plans for an active year. Formed this spring, with O. J. Neibel of Penn Mutual as president, the group expects to have two speakers, a life insurance man and a trust officer, for its first meeting in October.

Will G. Herrold, district agent of the Phoenix Mutual Life at Mansfield, O., is candidate for city treasurer.

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General Accounting Setup Held Need in Annual Statements

Life Office Management Conference Hears Views of Travelers Actuary

NEW YORK—Suggesting improvements to make the annual statement simpler and more effective, C. O. Shepherd, associate life actuary Travelers, said in his paper before the Life Office Management Association conference here that while there are certain obstacles to effective presentation of these financial statements which are peculiar to the life insurance business he believed these obstacles can be removed.

"As far as possible we should follow accounting and statement forms which are utilized by business in general," he said. "This principle admits of much leeway, and I do not think we shall find any conflict. Many of our directors and trustees, and some of our officers, are familiar with the accounting forms of general business. They may take more readily to such forms as I am advocating than we who have been brought up on a special diet."

Steadies Judgments

"A financial statement is a message and the form of a message is most important in getting attention but don't let us overlook the importance of content. We think of financial statements as collections and arrangements of facts. Yet, some of the most important of these facts involve human judgments. Good statement making calls for establishment of sound principles to steady such judgments, which must sometimes be formed under pressure. A tradition of objective statement making which reveals unfavorable trends and developments as clearly and faithfully as favorable trends is one of the best defenses against business ill. Only in such a role as this can the financial statement play its full part in company management."

Observing that the requirement that the companies file a statement in a certain form with the insurance departments has not prevented the use of statements in other forms for other purposes, Mr. Shepherd said that companies generally have taken the line of least resistance and it is safe to say there has been little effort by individual companies to improve on the so-called convention form.

Asset Page Confusing

"One of the features of the convention statement that handicaps us is the arrangement of the assets page," he continued. "I do not believe anyone will contend that a separation of ledger, non-ledger and non-admitted assets facilitates an examination of the balance sheet. The separation, in fact, was never made for any such purpose. Yet, it would seem the balance sheet is so important that every other consideration should be subordinated to the end that it can be easily read."

Mr. Shepherd criticized the term "ledger" as not fundamentally descriptive and one which is meaningless to a person unfamiliar with the life insurance bookkeeping system. It might mean something to show the "cost" value of an asset, but it does not mean anything to show "ledger" value, he said.

"Wouldn't it make our balance sheet more readable to show bonds directly at statement value (that is, effective value

in the statement and relegate the explanation of how that value was derived to the bond schedule or to a supplementary statement, or to carry the explanation 'inside'—and likewise with other assets? Is there any reason?" he asked. "Is there any reason why we should not bring together respective ledger, non-ledger and non-admitted assets and dispose of that undigested miscellany 'assets non-admitted'?"

Tracing the shift in general accounting emphasis from paid income and paid expense to earned income and incurred expense, Mr. Shepherd ascribed the introduction of the gain and loss exhibit in 1895 primarily to the need of bringing together the "closed" and "unclosed" transactions of the year, as one writer termed them, and to account for changes in surplus. This role of the exhibit was obscured by the controversy which raged around its technical aspects, the testing of expenses, mortality, and interest against the standards of loadings, expected mortality and interest required to maintain the reserve, he said.

Reason Exhibit Survived

"I believe nevertheless, that the office performed by the gain and loss exhibit in providing the only accounting for change in surplus in existence has been the primary source of its vitality and strength over so many years," he said.

Describing the new gain and loss exhibit, Mr. Shepherd said that for the first time in the history of convention statements the business has a statement which meets the two fundamental requirements: intelligibility to a person familiar with statements in general and the absence of meaningless unclassified totals such as increase in non ledger assets, non-admitted assets and liabilities found in the "change in surplus" exhibit of the old form. He said the new form points the way to a style of financial statements which can be presented much more effectively than any the business has had heretofore.

"But we need not be limited by the convention form of statement," said Mr. Shepherd. "On the contrary I think we should make full use of our ingenuity and devise those forms which will be most helpful to the officers and directors of our companies. If they can be useful in enlightening the public—and I think they can—so much the better."

Cost Analysis Report

Cost analysis work should return handsome dividends, if a company is willing to use capable men and is prepared to spend a reasonable amount of money, according to Volume I of the report of the departmental and functional costs committee, of which M. H. LeVita, statistician Fidelity Mutual Life, is chairman. The report warns, however, that experience shows that in cost work as in budgeting, the active interest of the top executive is a most important requirement, since otherwise the cost work may become just another set of reports, a source of wasteful expense.

It is also extremely important to avoid refinements whose results do not justify the expense. One valuable result of cost accounting is that tabulation of complete expenses incident to an activity at times discloses that this activity entails considerably more expense than was realized through extensive utilization of various service divisions of a company, such as the central transcription division, printing, and the like. A small sales promotion division may entail substantial expense in the actuarial division for the compilation of data, for example.

Collateral Advantages

Among the collateral advantages of cost analysis work the report summarizes the following: (1) equitable distribution of clerical personnel among departments and sections in accordance with a predetermined measure of the work volume; (2) developing a cost

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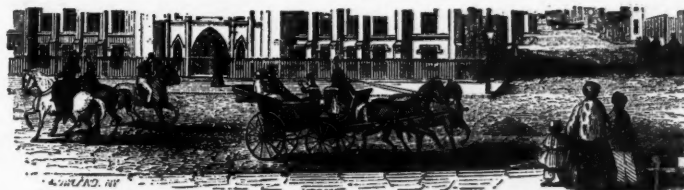
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LONG TIME RENEWALS

Write for particulars: WM. H. WEST, Vice-President

consciousness among all the staff; (3) stimulating constructive planning work among departmental supervisors; (4) furnishing the basis of an equitable appraisal of managerial accomplishment, thereby improving supervisory morale; (5) encouraging the economical use of service department facilities; (6) furnishing the basis for additional compensation for "above average" work in home office and field offices; (7) providing a basis for intercompany and intracompany comparisons of the unit costs of various operations, such as the cost of issuing policies; (8) establishing production standards under varying volume of production; (9) appraising the relative effectiveness of office administration in field offices; (10) providing aid for allocating expenses for tax purposes; (11) more accurate determination of basis of expense loading; (12) providing a means of accurately appraising new methods and machinery, introduced or contemplated; (13) providing an accurate basis for budget determination; (14) providing essential data for formulating investment policies—accurately arriving at net returns on various types of loans; (15) providing the procedure for an accurate distribution of expenses between first year and renewal.

Clerical Salary Report

The clerical salary study committee presented its second report in a series on office salary administration. The report includes a tentative outline of the Life Office Management Association salary administration plan, suggested procedure for preparing job descriptions, suggested job characteristics to be evaluated, procedure in rating employees, and suggested forms to be used in personnel evaluation. G. A. Hardwick, vice-president and comptroller Penn Mutual Life, is chairman.

A report of the office machinery and equipment committee covered application of "Keysort" and machine bookkeeping equipment to mortgage loan accounting, including regular monthly and FHA loans. The report was prepared by C. E. Schneider, coordinator, National Life of Vermont. Others of the office machinery and equipment committee who made reports were G. A. Drien, assistant secretary Connecticut General Life, on new machines and equipment applicable to life office operations; and John Crawford, supervisor, office equipment and services, Sun Life of Canada, on physical factors in the life insurance office. Miss Marion A. Bills, assistant secretary Aetna Life, presented the report of the tests committee as chairman.

Management Opportunities Discussed

In addition to Mr. Shepherd, speakers included J. S. Thompson, vice-president and mathematician Mutual Benefit Life, "Modern Management Opportunities"; L. A. Appley, educational director Socony-Vacuum Oil Company, "Supervisor's Training Program"; C. E. Mather, of Stagg, Mather & Hough, "Life Company Income Statements in Commercial Form"; Arthur Bajart, supervisor, loan and surrender values department Equitable Society, "A Survey of Policy Loan and Premium Extension Practices"; E. G. Fassel, assistant actuary Northwestern Mutual Life, "Destruction of Life Office Records, with Retention of Miniature Film Copies"; C. H. Page, assistant secretary Central Life, "The Organization and Operation of a Central Transcribing Department"; R. W. Beeson, secretary Liberty National Life, "Organization and Routine Changes in the Development of a Life Insurance Company"; H. H. Buckman, personnel director California-Western States Life, "What the Employee Should Know About His Company and Why"; F. B. Wilde, president Connecticut General Life, "Responsibility of the Home Office Staff for Favorable Public Relations"; L. K. Crippen, vice-president Acacia Mutual, "Progress and Objectives of the L.O.M.A. Institute"; H. M. Horne, associate actuary Girard Life,

Nebraska Man Has Consistent Record



GEORGE COWTON

George Cowton of Grand Island, Neb., former president of the Nebraska Association of Insurance Agents, has completed 20 years of continuous weekly life production with the Equitable Society. He joined the company in 1910. In September, 1919, he pledged to write at least one completed application each week and, therefore, this month he celebrated 20 years of consecutive weekly production. During a campaign a few years ago he wrote 75 applications in 75 days. Another time he wrote 122 applications for \$201,000 with premiums of \$5,600, breaking a record for number of applications written in one day. He celebrated his 25th business anniversary in June, 1935, by writing 25 applications in 25 days. He has paid for as much as \$585,859 in volume in a single year and as many as 172 cases.

"Why Students Fail—Some Observations of a Grader"; Dr. W. A. Granville, vice-president Washington National, "Essential Considerations for Conducting an Employee Educational Program"; H. E. St. Clair, associate secretary L.O.M.A., "The New L. O. M. A. Handbook for Educational Representatives."

J. Finlay Allen, assistant secretary Home Life of New York, is general chairman of the meeting. Session chairmen were R. A. Taylor, president L. O. M. A. and assistant comptroller, Sun Life of Canada, presiding at the opening session Wednesday morning; D. N. Warters, associate actuary Bankers Life of Iowa, Wednesday afternoon; L. C. Ashton, vice-president and secretary Provident Mutual, Thursday morning; C. M. Taylor, assistant secretary Provident Mutual, Thursday afternoon. Today's session will conclude the meeting.

Selling Is Telling

"Selling is telling," that's what men say, Telling of dreams come true: Of laying away for some golden day Our dollars—many or few. Life is a highway along which we drive, Some thoughtless and careless; 'tis true: While others are planning, the far distance scanning, With old age provision in view. If "Selling is telling" then speak loud and clear, To warn all on life's swift way Of dangers impending from over-free spending Of dollars that come today. Yes, "Selling is telling" that miles quickly pass To the end of life's winding road: And "the dollars we save are the dollars we'll have" To lighten the old age load.

—Byron A. Barlow, Equitable Life, of Iowa, Cedar Rapids, Iowa.

Widow's Right in Duplicate Policy Issue in N. Y. Suit

The complicated question of the rights of a widow, beneficiary under a life insurance policy, where the assured during his lifetime represented that the policy, which was actually in the possession of the beneficiary, had been lost and obtained a duplicate, subsequently changing the beneficiary, will be at issue in the case of Aiken vs. Mutual Life, which will be tried in the supreme court of New York in Kings county (Brooklyn) this fall. In the New York judicial system, the supreme court is a lower court of original jurisdiction, being outranked by the appellate division of the court and by the court of appeals.

In this case a \$10,000 policy on the life of A. E. Aitken was in the possession of beneficiary, Frances M. Aitken, wife and later widow of the assured. Premiums were paid until Nov. 1, 1925, when the policy lapsed for non-payment. At that time the policy had a cash surrender value in excess of \$4,500. Aitken died Dec. 25, 1938. The cash value would have been sufficient to pay for extended insurance beyond this date. When Mrs. Aitken made the claim, presenting the original policy, the company informed her that the policy was not in force and the case went to suit.

First Defense Stricken

Mutual Life contended that the policy had been lost and replaced by a duplicate. At the first hearing, this defense was stricken by the court, on the ground that the company had shown no damage to itself as the result of issuing the duplicate. In accordance with the company's rules, a surety bond written by the Fidelity & Deposit Co. was posted by the assured when the duplicate was issued, guaranteeing Mutual Life against any loss from issuing the duplicate and the court held that this adequately protected the company.

The case will go to trial this fall and the other defenses of the company. Mutual Life contends that during his life the husband changed the beneficiary from his wife to his son and hence Mrs. Aitken has no claim. It also contends that Mrs. Aitken joined with the assured in representing that the policy was lost, that the right to change the beneficiary was reserved to the husband in the duplicate policy and that this change is binding as against the claim of the widow on the original policy.

Further Canada Regulations

TORONTO, CANADA — Further regulations chiefly to facilitate insurance companies carrying on their normal business have been issued by the foreign exchange control board of Canada. This board was formulated by the Dominion government with a view to adopting war-time control measures over Canadian finance and governing the export of Canadian funds, etc. New regulations are:

Any life company authorized to do business in any part of Canada and also authorized to do business in any country or countries outside Canada is authorized to continue the conduct of its business in accordance with its normal procedure.

No Permit Necessary

No permit shall be necessary for any payment in Canadian dollars to or to the order of a non-resident by any life company authorized to do business in any part of Canada where such payment is made by the company in pursuance of an insurance policy, annuity or other contract of a similar nature, whereby the obligation of the company is to make such payment in Canadian

RECORDS

Occidental Life, Cal.—Continued consistent 1939 gains in all departments. New paid-for life insurance written in August \$6,296,062, gain \$785,690 over August, 1938. New paid-for business for eight months \$53,111,855, gain \$3,419,990. Business in force \$480,074,050 on Aug. 31, an eight month gain of \$27,257,073.

The **Supreme Liberty Life** of Chicago shows an increase of \$4,000,000 of insurance in force the first six months, its figure now being \$44,577,156.

David O. Johnson, San Antonio, Tex., **Minnesota Mutual Life** general agent, completed more than 513 weeks as an "App-A-Week" Club member and ranks sixth among the prospective "President's Dozen." G. E. Nowotny, New Braunfels, Tex., general agent, has completed more than 619 weeks. The D. O. Johnson general agency, San Antonio, ranked fourth for the first eight months in paid business.

Lloyd Johnson of Muscle Shoals, Ala., for several years president of the Protective Life production club, continues his burst of speed as a personal producer, although several months ago he was made an agency manager and given new territory in northwest Alabama. He has already written \$110,000 of business in the "Loyalty Month" campaign, with a week to go, representing the largest written business month in his career.

James C. Rutherford agency of Penn Mutual Life, Des Moines—Led all midwest agencies in percentage of agents qualified for the "Five Star" honor club.

J. S. Roberts Dies

J. S. Roberts, who retired as secretary of the Metropolitan Life in 1928, died at his home in New York City Sept. 25 following a heart attack. He was 80 years old and had been in poor health for a long time. He was a native of Liverpool and was cashier of the Prudential of London's Manchester office before coming to America.

In 1880, when the Metropolitan was entering actively into the field of industrial life insurance, Mr. Roberts, his father and two brothers, came to the United States to help instruct the Metropolitan staff in the writing of this type of business. In 1884 he was placed in charge of the audit division, as he named the bookkeeping division, which he was largely instrumental in organizing. Later he became assistant secretary and in 1901 secretary.

At his retirement he had the unique distinction of having had his facsimile signature on papers bearing a greater value than those signed by any other man—more than 30,000,000 policies with a face value of more than \$13,000,000,000.

dollars and the non-resident is entitled to such payment and any authorized dealer may without the issue of any permit sell foreign exchange to or for benefit of the non-resident to the extent of the Canadian dollars so payable, provided contract was entered into prior to Sept. 16, 1939.

The time limit in the last regulation is to prevent a resident of Canada from improving his position by moving out of the country, officials explained.

American policyholders in Canadian companies will not be affected by exchange control and the regulations which have been set down by the foreign exchange control board of the Dominion government. This foreign exchange control board is a war-time body which will supervise the movement out of Canada, etc., of Canadian funds. Ottawa's policy and the regulations have been made quite clear. Companies will at all times be permitted to service their policies abroad without restrictions. Likewise Canadians with policies in American companies will be allowed to pay premiums without hindrance. The same general rule applies to all ordinary commercial transactions.

Says Complaint of Lawyers Unfounded

T. Leslie Burdette, special agent for Prudential at Charleston, W. Va., writes:

"I notice from time to time in your magazine where some thoughtless lawyer takes a crack at the insurance underwriter because he renders his prospects and policyholders an insurance service which the reputed lawyer claims is an illegal practice of the legal profession. Personally, I do not believe any thinking lawyer, and I know a lot of them, will raise such objections, for the following reasons:

"The institution of insurance, through the underwriters, probably furnishes the legal profession as much or more business than any other business that can be named.

"The legal departments of insurance companies employ a very large number of lawyers.

Can't Solicit Business

"The lawyer cannot ethically solicit business. How can he know, therefore, the problems and services required of and by insurance prospects and policyholders?

"The insurance underwriter, by the

very nature of his business, is professionally a traveling solicitor and salesman. He must see his prospects and policyholders and he cannot carry a lawyer with him everywhere he goes.

"Tax and insurance businesses do not belong to the legal profession. However, any sensible, well trained insurance underwriter when he develops his case to the point of having legal contracts, agreements, etc., prepared, will direct or take his client to a reputable lawyer. I have directed a great many of my clients to lawyers to have wills and other legal papers prepared.

"Any well informed insurance underwriter knows more about the legal options of an insurance contract than the average lawyer. Optional settlement provisions elected by policyholders through the advice of the underwriter are usually passed upon by the legal department of the home office.

"The insurance underwriter is in a position to render his clients a splendid service in developing the best results to be obtained from insurance and insurance investments, and he does not infringe upon the legal profession in so doing."

VIEWED FROM NEW YORK

By R. B. MITCHELL

GORDON ON ABSENCE LEAVE

John J. Gordon, well known general agent of the Home Life in New York, has been given a leave of absence. He had a serious accident a year ago in which he suffered a fracture of the skull and has since then not been in good health. The doctors have prescribed a long vacation as necessary to effect a complete recovery. Mr. Gordon and his family have moved to California. His association with the Home Life continues and upon his recovery he will resume active service.

U. S. LIFE APPOINTS MACGRATH

The United States Life announces the appointment of J. E. MacGrath, Jr., as a general agent in New York City. He has been with the company as field supervisor since January, 1938, and will relinquish this position the end of this month to open his own suite of offices on the newly modernized seventh floor of the U. S. Life's home office building, 101 Fifth avenue.

He began his life insurance career in 1923 with the Louis A. Cerf, Sr., agency of the Mutual Benefit Life, remaining there as a producer and brokerage supervisor until Mr. Cerf retired in 1928. He then joined the E. T. Wells agency of the National Life of Vermont and a year later, in March, 1929, when L. A. Cerf, Jr., became general agent of the Fidelity Mutual signed up with him.

SEPTEMBER PRODUCTION \$38,306,000

Production of ordinary life insurance in New York City in August, estimated by the Life Insurance Sales Research Bureau and released through New York City Life Underwriters Association, was \$38,306,000 as against \$43,850,000 for August, 1938.

BROOKLYN MANAGERS MEET

The Brooklyn Life Managers Association's first fall meeting was devoted to organizing for the coming year. Alfred Johannsen, general agent Northwestern Mutual, was named chairman of the program committee. Other chairmen are Gibson Lewis, general agent Massachusetts Mutual, membership; George Kedrick, manager New York Life, law and legislative committee; W. H. McKee, manager Mutual Life, co-operation with attorneys; Gilbert Austin, general agent Aetna Life; co-operation with New York City Life Managers association; and A. G. Correll, general agent New England Mutual, publicity. It was

agreed that the program for the year would deal with management problems through use of panel discussions. The organization will meet the third Wednesday of each month for luncheon at the Bossert hotel.

The meeting was the first under the leadership of the new president, Jack Warshawer, general agent Guardian Life.

ALBERT HIRST TO SPEAK

Albert Hirst, New York City attorney and authority on insurance law, will speak on the new social security act amendments at the next luncheon meeting of the New York City Life Underwriters' Association Oct. 10 at the Hotel Martiniere.

J. L. Bachman has joined the Charles Edwards agency of the Manhattan Life in New York City as supervisor. He is leaving the Connecticut Mutual with which he has been connected for 12 years.

Howard Succeeds McLagan

W. E. G. McLagan, manager Sun Life of Canada in Victoria, B. C., associated with the branch there for 29 years, resigned as branch manager, but will continue in the branch in advisory capacity. He served with great distinction in the world war. Mr. McLagan is a charter member of the life underwriters association, a former president of the Victoria association and provincial vice-president of the Life Underwriters Association of Canada. The new branch manager is H. B. Howard, for the past ten years with the Sun Life of Vancouver, and a former school teacher.

Move Los Angeles Offices of California Department

The Southern California offices of the insurance department were moved from the State Building to the Eighth floor of the Pacific Finance Building, 621 South Hope street, the new location being in the insurance district.

Private offices are provided for Commissioner Caminetti, Chief Assistant Commissioner E. P. Fay, Assistant Insurance Commissioner H. F. Risbrough, Administrative Assistant Donald Luckham, Chief Examiner William Schlieff and S. P. Greene.

Esther Grant, daughter of W. T. Grant, president Business Men's Assurance, was married Saturday to Douglas Williams.

More Speakers for Agency Convention

G. H. Armstrong, manager of engineering, International Business Machines Corporation, will speak at the Life Insurance Sales Research Bureau Association of Life Agency Officers meeting at the Edgewater Beach in Chicago, Oct. 31-Nov. 1-2. He will talk on "Why We Train Salesmen." He served for five years as dean of the International Business Machines School at Endicott, N. Y. He will give consideration to such questions as to why a training program was set up, why the concern decided to hire certain types of men, and why his company has been changing the program each year.

H. J. Cummings, vice-president Minnesota Mutual, and Seth C. H. Taylor, superintendent of sales promotion Sun Life of Canada, will be speakers at the same convention. The Minnesota Mutual's selection and training plans will be the basis of Mr. Cummings' discussion. Mr. Taylor will talk about the Sun Life's basic plan for the solution of the problem of developing managerial reserves.

New Alabama Law Will Cut Cost of Examinations

BIRMINGHAM, ALA. — Insurance companies are expected to save money as well as the state due to passage of a law by the Alabama legislature, which just adjourned, empowering the department of commerce, of which the insurance department is a part, to employ a full time actuary and two full time examiners. It was said outside actuaries and examiners employed by the department in the past have charged companies as much as \$25 a day, plus heavy expenses. Under the new setup the actuary and examiners work on a salary, and the charge to the company is limited to \$15 a day, plus \$3 expenses. Governor Dixon signed the bill.

Another new law requires \$25,000 paid-in capital before any mutual aid, benefit or industrial company can engage in business, and also demands 500 members from which this sum has been collected as a guarantee fund for a mutual association. The old law required a minimum capital stock of only \$5,000.

Lackey Will Be Speaker at Advertising Meeting

George E. Lackey, general agent Massachusetts Mutual in Detroit, will be one of the speakers at the annual meeting of the Life Advertisers Association in his city, Oct. 16-18. He will speak on "How an automobile city general agent looks at life insurance advertising." Mr. Lackey is a past president of the National Association of Life Underwriters, a trustee of the American College of Life Underwriters and a member of the Million Dollar Round Table.

Lincoln National Awards

Winner of the individual "A. F. Hall Month" trophy of the Lincoln National was L. N. Bennes of Thief River Falls, Minn. The trophy is awarded each year to the agent who produces the largest volume of paid business. Winners of the agency plaques were: Class I, Ben M. Kirke agency, Des Moines; Class II, W. W. Teekell agency, Shreveport; Class III, J. A. Bell agency, Fort Worth.

Prudential Asks Full Hearing

DES MOINES—Prudential has asked the Iowa supreme court to review its previous decisions involving suicide and to lay down new rules regarding such cases. It requested that the court give a full bench hearing to its appeal from a Polk county district court decision awarding Margaret L. Waddell of Des Moines a \$2,000 judgment on an insurance policy on the life of her husband, J. B. Waddell of Des Moines.

New Treasurer of National Chapter C.L.U.

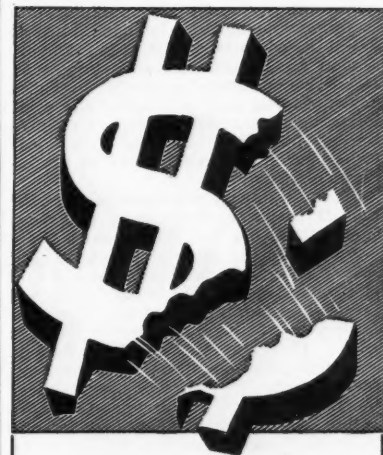
Edward A. Krueger, manager field service division of State Life of Indiana,



Edward A. Krueger

is the new treasurer of the National C.L.U. chapter. The results of the election were announced at the annual business meeting of the National chapter in St. Louis this week. Mr. Krueger is a zealous organization man. He is a past president of the Indianapolis C.L.U. While in Colorado he served as secretary of the Colorado state association. He has been publicity chairman of the Indianapolis association during nine administrations and has been a director for the past several years. He was general chairman of "Life Insurance Week" in his city in 1938. He is an honorary member of the Indianapolis General Agents & Managers Association.

Prospect with accident and health. Read *The Accident & Health Review*, \$2 a year, 175 West Jackson Blvd., Chicago.



Don't lose part of your dollar!

We believe the man who makes the sale deserves ALL of the commission on the sale. Central States Life salesmen get ALL of their commission dollar. No one shares in their earnings.

Write

J. DeWitt Mills, Vice Pres., for agency information. Good territory available in Mo., Ark., Okla., Nebr., Texas, Colo., Utah, Wyo., Calif., and Fla.

CENTRAL STATES
LIFE INSURANCE CO.

St. Louis, Mo. Alfred Fairbank, Pres.

Life Insurance in Nationwide Contest Now Announced

A nationwide life insurance contest for anyone in the United States over 16 years old will be launched by the National Association of Life Underwriters during the "Annual Message of Life Insurance," Oct. 23-28, it was announced by Harry T. Wright, of Chicago, chairman of the committee on life insurance information. Prizes totaling \$4,500 will be distributed.

The theme will be to report a "life insurance in action" story. It will be conducted in local association cities only, and will close on Feb. 1. The country has been divided into nine districts for the purpose of the contest, and ten prizes totaling \$500 will be awarded in each district.

Not an essay or a short story contest, the competition will emphasize good reporting rather than fine writing, and the papers will be judged on the human interest value of the reports of life insurance in action.

Seeks Larger Attendance at Canada Gathering

H. D. McNairn, insurance superintendent of Ontario, who is president of the Association of Superintendents of Insurance of the Provinces of Canada, sends out a circular letter stating that at the annual meeting held in Montreal it was voted to hold next year's convention at Saskatoon, Sask., starting Sept. 16. For some years meetings have been held the latter part of August, the week following the conclusion of the Canadian Bar Association meeting. This has proved inconvenient for many of the insurance executives.

W. E. Baldwin, president of the All-Canada Insurance Federation, and manager in Canada for the America Fore group, asked the superintendents to consider a change of date, pointing out that July and August were usually regarded as vacation months and it was often difficult for company executives to get away. President McNairn said that he is directing the circular to insurance executives who visit their western offices the latter part of the summer or in the autumn, hoping that they can arrange their itineraries in such a way as to be able to attend the conference in large number.

Term Insurance Is Again Being Written in Canada

TORONTO—Term insurance is again being written by the life companies in Canada after being temporarily discontinued at the outbreak of war. Some never did cut it out entirely, although agents were told to discourage its sale.

Term policies are subject to the same war clauses as the ordinary level premium contracts. At present a large number of companies are charging an extra premium of \$75 per \$1,000 insurance. This is higher than the initial war premium charged at the beginning of the previous war.

One feature of the present situation is that the war premium is liable to change from year to year should present hostilities extend over a long period of time. For example, a person taking out a policy now pays no war premium as long as he stays in Canada or Canadian coastal waters, even though he may be in the army or navy. As soon as he goes overseas, however, he is subject to an extra premium, whether he goes as soldier, sailor or civilian. The extra premium will apply only for that year.

Name C. of C. Insurance Committee

The insurance committee of the United States Chamber of Commerce is as follows: Chairman, J. H. R. Timanus, Philadelphia, secretary Philadelphia Contributionship, mutual fire insurance company; O. R. Beckwith, Hartford, counsel, Aetna Life group; B. M. Culver, New York, president America

W. T. Grant Very Ill at Kansas City

ST. LOUIS, MO.—Col. C. B. Robbins of Chicago, manager American Life Convention in extending greetings to the National Association of Life Underwriters at its annual meeting, expressed fear that W. T. Grant may be unable to attend the A.L.C. annual meeting in Chicago next week. Mr. Grant, president of Business Men's Assurance and president of the American Life Convention, is seriously ill, Col. Robbins reported.

Though unable to attend the convention of agents of his company last week, held at Excelsior Springs, his doctor allowed him to go downstairs to be present at his daughter's wedding.

Fore group; L. J. Dougherty, Davenport, Ia., vice-president Occidental Life of California; Edmund Fitzgerald, Milwaukee, vice-president Northwestern Mutual Life; J. C. Harding, Chicago, western manager Springfield Fire & Marine; W. E. Keith, Los Angeles, president Cosgrove & Co.; L. A. Lincoln, New York, president Metropolitan Life; J. S. Myrick, New York, manager Mutual Life; Julian Price, Greensboro, N. C., president Jefferson Standard Life; J. L. Train, Utica, N. Y., president Utica Mutual; J. L. Wilds, Chicago, president Protection Mutual Fire; and W. D. Winter, New York, president Atlantic Mutual Marine.

Mr. Timanus, who is one of the insurance directors, succeeds O. J. Arnold, president Northwestern National, as chairman. Mr. Arnold is now a vice-president of the chamber.

Home Office Staff Work Is Vital, Wilde Says

NEW YORK—The contribution of the individual member of the home office staff may not appear to be a great factor in public relations but in the aggregate its impact is enormous, said Frazar B. Wilde, president Connecticut General and chairman Institute of Life Insurance in addressing the annual meeting of the Life Office Management Association. These contacts, he pointed out, range all the way from simple answers to simple questions to those very complicated discussions which service men may have with a policyholder seeking an understanding and readjustment of his whole insurance estate.

Mr. Wilde emphasized first of all the state of mind and attitude of every member of the organization. There must be a real and sincere desire on the part of all to carry on their work in a way that is courteous, informative and pleasing, he said. He pointed out the bad effect of an underwriting department feeling that agents are a nuisance, and the result of a policy loan department's lack of interest in rendering prompt service. Rearrangement of insurance, and also the handling of claims offer ways of improving public relations, he said. Furthermore, the right attitude on the part of the staff results in recommendations which produce still further improvement.

Objects to Publicity Stunt

ST. PAUL, MINN.—The insurance department is considering a publicity campaign to counteract what it regards as incomplete information being broadcast over a local radio station by a Chicago life insurance service company. The National Refund Co. of Chicago has been using one of the Twin Cities stations to advertise its service for obtaining cash to holders of life policies. It charges a small fee for its service.

The insurance department has found nothing illegal about the enterprise and considers its fee for service not unreasonable but believes the concern is not giving the public all the information it is entitled to have.

Hospitalization Is Making Real Stride

Regarding group hospitalization insurance as a natural complement to disability insurance and group life, I. S. Cook, assistant secretary group division Aetna Life, reports premiums for group hospitalization as not appreciably behind new group disability or new group life business. Group hospitalization is a natural complement to disability because combined benefits in respectable amounts can be provided for a reasonable contribution on the part of the employee. This package plan of selling hospitalization is very popular. Mr. Cook expects it to stimulate the growth of group business appreciably in future.

The Aetna Life group hospitalization covers such disability arising out of non-occupational accidents as well as sickness. Maternity benefits are included for periods not exceeding 14 days. In most states dependents of employed assured may be included in the coverage, but since this requires additional employee contribution, about 50 percent of their policies issued to date do not provide benefits for dependents. The field is rather new as the majority of the hospitalization group policies in the Aetna have been issued only within the last two years.

Penn Mutual's Position on War Risk Clause

Penn Mutual Life is not going to adopt a war risk exclusion clause, President J. A. Stevenson announced at the company's convention. However, citizens traveling abroad or contemplating such journeys will be underwritten on the basis of their hazards, based on where they intend to travel. This precaution has been taken for some time for example, in the case of those planning to travel in the war zones in the Orient.

If journeys planned by applicants would lead them into war zones the company will limit, rate, or reject them according to the degree of hazard, each case being handled on its merits. As to foreign applicants, not fully naturalized, the company recognizes that there is an extra hazard, that of the possibility of voluntary enlistment or of conscription to the military or naval service of his homeland. Therefore, each such case will be written on its merits after a questionnaire has been reviewed.

This stand is based on present conditions. Should the situation grow more serious the company may make changes to meet the altered conditions. Mr. Stevenson said that he thinks that "it is the duty of every organization in America today to cooperate wholeheartedly in the spirit of neutrality as announced by President Roosevelt," and added that "this is no time to get panicky."

Reliance Life, while apparently making no announcement to field men preparing them for the action, has added a war clause to new policies being issued. This excludes coverage against death while in the armed forces of any foreign nation, but does not bar U. S. military or naval service. There is no travel exclusion.

Pittsburgh Group Golfs

PITTSBURGH—The Agencies Committee of Pittsburgh held a golf tournament and dinner at the Shannopin Country Club, in which supervisors also participated.

Best scores were made by J. C. Sheedy, Reliance Life; W. Pickels, Prudential; W. R. Furey, Berkshire Life, and J. M. Holmes, Northwestern National. Least number of putts were made by Frank Wigginton, Bankers of Iowa; Mr. Sheedy; Brainard Metheny, Fidelity Mutual, and U. H. Hangartner, Union Mutual. R. H. Stevenson, National Life of Vermont, president, presided at the dinner. Two home office men attending were J. E. Stone, Jr., State Mutual, and D. H. Boyd, Home Life.

New Way to Obtain Business in Far West

Mel Fickas, general agent for the Penn Mutual Life at Phoenix, Ariz., tells of a novel incident in the salesmanship career of William Wisdom, the Penn Mutual's agent at Tucson, Ariz. Mr. Fickas explains that adjacent to Tucson is the town of Marana, which is headquarters for an irrigation district. In following a tour of that district, Mr. Wisdom explained "I spent yesterday at Marana soliciting business, closing a case for \$2,000 ordinary life, and lining up several more. I met the foreman of the maintenance department of the Farms Co. and we took his airplane and covered the district. We could land almost anywhere and we could easily spot the homes. It's a new way of getting business."

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of Sept. 26, 1939:—

	Par	Div.*	Bid	Asked
Aetna Life.....	10	1.35*	27½	29
Central, Ill.....	10	...	10	11
Gen. States Life..	5	...	2	3
Colum. Natl. L....	100	...	68	72
Conn. Genl.....	10	.80	23½	25½
Contl. Assurance..	10	2.00	35	37
Federal Life.....	10	...	4½	5½
Great Southn. L..	10	1.30	19	22
Kan. City Life....	100	16.00	350	400
Life & Cas.....	3	.50	10	12
Lincoln Natl.....	10	1.20	23½	25½
New World Life..	10	.40	5½	6½
No. Amer. Life... 2	2½	3¼
N. W. Nat. Life.. 5	.30	...	11	13
Ohio Nat. Life... 10	1.25	...	25	27
Old Line Life.... 10	.60	...	9½	10½
Sun Life, Can.... 100	15.00	...	290	340
Travelers..... 100	16.00	...	400	420
Union Cent. Life 20	1.20	...	20	25
Wis. National... 10	1.00	...	16	18

*Includes extras.

Arnold Launches New System of Renewal Payment

(CONTINUED FROM PAGE 6)

ment in the following year. Thus a regular income from renewals is assured the agent, and the company pays for conservation effort currently, while it is going on and while the agent has a chance to better his record.

Opportunity for More Income

The plan definitely assures the agent that he will not receive less in renewal commissions in any calendar year during the continuance of his contract than the full renewal commissions to which he is entitled under his agency contract. He has the opportunity under the new plan, however, to earn much larger renewal commissions by bettering constantly the persistency of his business. He can, in fact, provide a renewal income larger than his earnings from first year commissions, even though his volume of new business steadily increases. For example, at an average premium of \$28 a thousand and an average first year commission of 50 percent with renewals at 5 percent, maximum renewal commissions under the old plan would be 90 percent of the first year commissions on any given amount of business, assuming the extreme case of 100 percent renewing for nine years. Under the new plan, maximum renewal commissions would be 258 percent of first year commissions.

"The new renewal commission system marks the longest single stride the company has yet taken in the direction we have been steadily moving for more than a decade toward achieving better, more persistent business, and in doing so to compensate the agent adequately and in direct proportion to the quality of the service he gives," President Arnold's announcement said.

LEGAL RESERVE FRATERNALS

Reinstatement Rulings Are Given in Two Cases

Two important court rulings affecting reinstatement of certificates in fraternal societies have been rendered, one in the case of Dodson vs. Sovereign Camp of Woodmen of the World by the St. Louis court of appeals, and the other in case of Sovereign Camp of Woodmen of the World vs. Hart, by the Georgia supreme court. Both are reported by R. F. Allen, assistant counsel Standard Life and secretary-treasurer N. F. C. law section.

In the first case the society was held to have waived its suspension and reinstatement laws when the assured reinstated his policy while in poor health, although the fact was unknown to the society and was two years and five months prior to his death. The society had accepted all subsequent monthly premium payments and was estopped to set up the defense of suspension. The beneficiaries sued for the death proceeds, the society denying liability on the ground the assured failed to pay the monthly premium payments.

It was shown he suffered from a malignant disease which finally caused his death, but continued to pay monthly and the payments were accepted by the local camp clerk. The society offered to return premiums paid since date of suspension but judgment was rendered for the beneficiary. The court of appeals held the society by permitting assured to make payments for two years and five months after reinstatement, without objection and retaining the payments, had waived and estopped its suspension and reinstatement bylaws.

History of the Hart Case

In the Hart case the local camp secretary had accepted a number of delinquent premium payments. Society bylaws require payment of monthly premiums before end of the month to avoid suspension, and give the right to reinstate if in good health any time within three months; also that no local officer or agent could waive any bylaws. It was shown the local secretary demanded the September, 1935, monthly premium on Oct. 12 and Hart asked him to re-

turn in two days but died on the 13th without having paid the September premium. The society claimed he was in suspension and denied liability, but the lower court and court of appeals rendered judgment for the beneficiary and the society appealed.

The supreme court held acceptance of late payment of dues would not operate of itself as a waiver of the society's suspension laws as receipt of dues in default is provided for under terms of the contract and there is no departure from its terms and conditions. The court held that the fact the local secretary falsely reported the member as paying on time creates no estoppel against the association for the member was not induced by the secretary to believe the late payments were being accepted as made on time rather than pursuant to provisions of the contract. Judgment of the lower court in favor of the beneficiary was reversed. The decisions were reported by R. F. Allen, assistant counsel Standard Life, Lawrence, Kan., and secretary-treasurer law section National Fraternal Congress.

Baker Now Great Commander

DETROIT—J. B. Baker has assumed his new duties as great commander of Maccabees for Michigan, which places him in charge of insurance sales for the state. He succeeds the late Judge Edward Jeffries. Since 1930 Mr. Baker has been building manager for the society. Prior to that he was for a time manager of the sick and accident department and he has served in many capacities in the order since joining the staff as office boy in 1893. He is secretary of the Michigan Fraternal Congress.

Mrs. Downes' Husband Dies

James C. Downes, husband of Mrs. Anna R. Downes, who is head of the Women's Catholic Order of Foresters, Chicago, died recently at their home in Grays Lake, Ill. He had been retired for a number of years, following a long business life with International Harvester company, and steel and plumbing supply companies.

Modern Woodmen Participation

A 25 percent increase in dividends to be paid on outstanding American Experience certificates was authorized by directors of Modern Woodmen, effective Oct. 1. This action came after a gain of \$3,256,054 in assets for the first six months of 1939. Officials stated continued financial improvement was responsible for the dividend increase.

Officials anticipate continued financial gains for the last half year. Assets have more than doubled in the past ten years, now totaling \$81,910,944.

Michigan Congress Meets Oct. 4

DETROIT—Forrest Wiswell of the Protected Home Circle, Michigan Fraternal Congress delegate to the National Fraternal Congress annual session held recently in Detroit, will report on the N. F. C. activities at the quarterly luncheon meeting of the Michigan group meeting at Hotel Fort Shelby Oct. 4. J. B. Baker, Maccabees, is Michigan Congress secretary.

Iowa Managers in Conference

DES MOINES—Some 200 Iowa managers and district managers of the Lutheran Brotherhood, Minneapolis, held their annual meeting at Waterloo, Ia.

Canada Shows an Increase

TORONTO, CAN.—Showing an increase of 2 percent as compared with the same month of last year, new settled-for ordinary life insurance sales in Canada and Newfoundland in August totalled \$28,558,000, according to figures which have been given out by the Canadian

Life Insurance Officers' Association. The total for August last year was \$27,996,000. Ontario led all provinces in sales last month with a total of \$12,793,000, while as usual Quebec was second in line with \$7,553,000.

Canada Sales Figures Reported

MONTREAL, CANADA—Detailed sales by provinces, based on returns by 18 companies having 84 percent of the total insurance in force, exclusive of group and wholesale insurance, annuities, pension bonds without insurance, reinsurance, revivals, etc., were as follows:

British Columbia.....	\$ 2,216,000
Alberta	1,180,000
Saskatchewan	693,000
Manitoba	1,670,000
Ontario	12,793,000
Quebec	7,553,000
New Brunswick	728,000
Nova Scotia	1,224,000
Prince Edward Island.....	137,000
Newfoundland	364,000
	\$28,558,000

Nebraska Institute Sees Alpha and Omega of Policy

OMAHA—Forty-seven attended the first fall meeting of the Insurance Institute of Nebraska with A. W. Mason, assistant secretary Lincoln Liberty Life of Lincoln, the president, presiding.

The program consisted of a series of talks in which a life insurance policy was traced, from its beginning to its fulfillment. Ray Clark of Haight, Davis & Haight, treated the source from which the idea for the policy came and some of the actuarial phases. R. B. Condon, assistant superintendent of agencies United Benefit Life, presented a sales talk that an agent would give a prospect in selling the policy.

N. M. Longworth, assistant underwriter, United Benefit, explained how the application was underwritten, illustrating the treatment both of standard and sub-standard. Grace Rule, assistant in the

conservation department, outlined the system of sending out premium notices and conservation. H. N. Swanson, assistant manager claim department of the United Benefit Life, then reported how the death claims were handled.

Security Mutual Creates a New Agency Council

A newly created agency council is announced by F. D. Russell, president of Security Mutual Life. It held its first meeting at the home office, Binghamton, N. Y., Sept. 18. It is composed of five representatives from among the general agents, J. J. Donigan, Philadelphia; R. A. Beatty and Samuel Berman, New York; Ross M. Norris, Cleveland; and Ned R. Mann, Syracuse; and of five members from the agency department headed by Superintendent of Agencies F. L. Mable, the other members being Assistant Superintendent of Agencies W. E. Thompson, Special Home Office Representatives R. C. Quackenbusch and H. I. Kapp, and Director of Publicity J. F. Relyea.

The agency council was created, President Russell pointed out, to co-operate in mapping agency department activities and as an advisory board containing representation from the field force. Meetings will be held quarterly.

Home Office Underwriters Committees Selected

The Institute of Home Office Underwriters committees were appointed, including a specially created war emergency committee to keep members informed regarding changes made necessary by the war. The war committee is composed of W. O. Menge, Lincoln National Life, chairman; R. T. Sexton, Connecticut General, and D. J. Tribble, Jefferson Standard Life.

W. K. Fritz, Lamar Life, Jackson-



Our Men

—SUCCEED because they represent a successful institution. Our men don't have to sell their clients on the safety and reliability of The Maccabees. Our records of 60 years of service, quarter of a million members and 250 million dollars in benefits paid, do that. Their only job is one of diagnosing the needs of their clients and writing the insurance necessary.

If you want a position where your success is limited only by your ability, and you can meet our requirements, write us. We may have a place for you.

The Maccabees

Detroit, Michigan

SOME

PERTINENT

FACTS ABOUT

Supreme Forest

WOODMEN CIRCLE

• Total Membership.....132,982

Total Protection ..\$107,701,046.00

Written in 1938.. 11,629,606.00

Benefits Paid in
1938 1,893,522.35

Benefits Paid since
Organization in
1895 40,445,656.11

Dora Alexander Talley, President
Mamie E. Long, Secretary
Home Office, Omaha, Neb.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society
Rina West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

ville, Miss., is chairman of the membership committee, and will be assisted by the personnel of the executive committee.

W. H. Harrison, Ohio National Life, is chairman of the educational committee, whose other members are W. E. Jones, Provident Life & Accident, Chattanooga, and Mr. Menge.

Emotions Basic to Insurance Can't Be Killed by Wars

(CONTINUED FROM PAGE 4)

insurance at Washington has as one of its aims the elimination or at least the hobbling of the agency system.

J. H. Reese, general agent home office agency, brought greetings as president of the national C.L.U. chapter. He pointed out that the C.L.U. designation is not designed as a stamp of approval but arose from the fact that the field felt that the field itself must take the lead in improving its prestige. The movement is of inestimable value with the American public and as a force against those who would attempt to break down the American agency system, he said. In spite of the support given by the companies, amounting to some \$30,000 a year, he said he hoped that the C.L.U. movement will never permit the companies as such to take the leadership, since that should remain with the field.

Dean W. F. Russell of Teachers College, Columbia University, was the principal speaker at the banquet Thursday evening. Dr. Russell urged that the way be kept open for teachers to inculcate in the young the democratic principles of the nation's founders. He said he had spent considerable time reading the original works of George Washington and other early patriots and that one gets a different concept of their views in this way from that obtained by reading interpretations by present day writers.

W. H. Kingsley, board chairman, spoke briefly on the opportunity open to the field force. President Stevenson acted as toastmaster.

Program Exceptionally Smooth

The entire program, including the educational sessions and the other activities, was conducted with the utmost smoothness by the home office arrangements committee headed by D. Bobb Slattery, who has charge of sales promotion. A unique feature, passing out copies of each speaker's talk following the session at which he spoke, had several collateral advantages in addition to the objective of enabling the audience to carry away in written form what they had heard. For one thing, the speakers had to complete their manuscripts considerably in advance of the meeting, thereby making for thorough and concise treatment. This in turn, made all the talks a pleasure to listen to and by preventing any rambling kept the program close to schedule.

The plan, incidentally, constituted an excellent endorsement of prepared sales talks. While there was no obligation on the speakers to follow their printed talks to the letter, it was noticeable that in many cases the speeches, though delivered with little if any reference to manuscripts, followed the printed version virtually word for word.

Selling major and collateral markets featured the closing session.

The chairman was F. U. Levy of the R. G. Engelsman agency, New York City.

C. C. Cooper, Jr., of the J. E. Rutherford agency, Des Moines, and A. F. Priebe of the F. A. Schnell agency, Peoria, opened the morning session with a discussion of "Selling the Major Market."

Mr. Cooper limited his remarks chiefly to methods used by his agency in selling

retirement income. He said: "Most agents do a good job of presenting retirement facts and figures. But that doesn't sell it. It takes a girl with glamour to make male hearts tingle, and it takes a contract with glamour to set the purse a-jingling. Our big chance for improvement in presentation of retirement income lies in clothing it with sufficient glamour to make a man set his heart on a goal perhaps 30 or 40 years in the future."

Available to Others

Mr. Priebe emphasized that although programming was practically invented by the "big boys" and although it has put many agents among the leaders, it has been regarded as applicable only to "big stuff." "It is entirely wrong to assume that it cannot be applied to other than big policy prospects," he said.

"Selling the Collateral Market" was covered by A. T. Drennan of the L. M. Barger agency, Birmingham, A. H. Schroeder, Osborne Bethea agency, New York City, and H. W. Bailey, Jr., H. J. Johnson agency, Pittsburgh.

Uses Third Party Influence

Mr. Drennan said that he never called upon a prospect without using third party influence or prestige, whether a fellow worker in the shop, the employer, a friend or even the president of a bank. He makes it his business to be the insurance man in a half dozen business houses, and he never calls on any prospect at his place of business and failing to see him, leave without talking to some one about insurance even if it is only the office boy.

The procedure used by Mr. Schroeder in selling any type of life insurance is to approach everyone with letters of introduction. These are easy to obtain if requested and prepared for the centers of influence on their stationery for them to sign.

Invariably the approach used enables him to cover a wide range of topics and gives him an opportunity to dig in and to determine that in which the prospect is most vitally interested. He said the program approach enables him to sell at least an education policy. In addition, it gives him a future prospect for those other items of the program which as yet have not been completed and it invariably provides him with a client whose confidence has been obtained and who, consequently, is willing to boost and recommend him.

Views Income Continuance

Mr. Bailey said that income continuance means to him the continuing of an income or a part thereof to his family until the children have at least been graduated from high school or it may mean the continuing of income to himself after he has reached retirement age.

In order to effect an income continuance for any one, naturally the options in a policy must be taken advantage of. A few hours study will enable any agent to familiarize himself with these very easily. Every policyholder is entitled to income continuance. Whether or not he gets it depends entirely upon the agent.

PENN MUTUAL NOTES

Four members of the Penn Mutual's famed Eckenrode family were on hand: Edward and John, of Harrisburg; William of York; and James, of Pittsburgh.

Don F. Moore brought his bride to the convention. Mr. Moore was formerly of the stage team of Ron & Don. The other half of the team, Ron Baggott, was formerly also with the Penn Mutual.

Nineteen of the Penn Mutual home office's loveliest damsels acted as hostesses and guides at the home office open house which preceded its convention. Such was the impression they made that by popular demand they were brought to Atlantic City for the dance Thursday evening.

Three vice-presidents, Thomas Newhall, Malcolm Adam, and Wallis Boileau, Jr., surveyed the craft offshore with a more than casual eye. All three are motorboat enthusiasts.

T. C. Snow, general agent at Buffalo, earned \$15 by telling the truth. Driv-

ing to the convention he was picked up by a motorcycle cop who also arrested the driver whom Mr. Snow was following. The other driver told the judge he had been going only about 45 miles an hour. Mr. Snow frankly confessed to 55 and at times 60. His fine was only \$5 against the other man's \$20.

Several candid camera enthusiasts were observed in action, including W. H. McCarty, Detroit; John Dillard, Philadelphia; Gerard Brown, Chicago, and J. W. Coyne, Manchester, N. H. However, Carroll Frey of the home office agency department was almost continuously busy with his big Graflex and probably took more shots than all others combined.

The Grant family of Seattle was represented by seven members: J. F. Grant, general agent, and Mrs. Grant; Mr. and Mrs. J. Frederick Grant; Mr. and Mrs. Will P. Grant, now of New York City; and Miss Betty Grant.

A. S. Mitchell was another of those who brought brides to the convention. Mr. Mitchell is located at Brookings, S. D., and is a state senator.

Those who thought that Lou Noll of New York (Hall) agency displayed more than amateur ability in leading the songs were correct. Mr. Noll was formerly one of the "Bonnie Laddies," vaudeville and radio artists.

News that Charles Yorke of the home office agency staff recently became the father of twin daughters, brought out the fact that at least two other conventioners are fathers of twins: John Eckenrode, Harrisburg, and J. T. Grosh, Lancaster.

Rene P. Banks, general agent at Cleveland who, though a native of Brooklyn became a westerner by adoption and temperament when he was stationed at Denver, did not play baseball in his cowboy boots because there was no baseball game. The convention gave Mr. Banks, who was once editor of a cattle journal, an opportunity to get together with J. Elliott Hall, general agent New York City, whose avocation is prize winning cattle.

Castling a supercilious eye at what the boardwalk antique shops had to offer was Dorion Fleming, general agent New Orleans, who is a real expert on antiques and where to find them in their native haunts.

A veteran conventioner, though only five years old, is Ratus Kelly, Jr., who hasn't missed a convention since he was born. His father is one of the leading agents.

Samuel Kahl, Chicago, million dollar producer, has an unusual background for a life insurance agent. He was formerly a theatrical booking agent.

As presiding officer, Vice-president A. E. Patterson remarked on the reluctance of audiences to occupy the front rows and said that those who are brave enough to do so should be rewarded. According he passed out \$10 bills to the three persons having front row seats. He was not much worried about the fate of his \$30, for the recipients were President J. A. Stevenson, Everett Johnson of the actuarial department and Louis Oswald, Mr. Patterson's assistant. At the next morning's session an entire row of gagsters not only occupied the front row but had expectantly pulled their chairs up to the edge of the platform. Saying that by special arrangement he had had the gold ban lifted, Mr. Patterson proceeded to pass out burnished coins which on examination proved to be merely new pennies.

A number of the delegates who qualified for the convention were women agents, among them being Mrs. Mildred Poindexter Miller, Kansas City; Miss Polly Klittredge, Boston; Mrs. Alice Duke, Utah; Miss Sophia W. Bliven, Philadelphia; Miss Leonora Olsen, manager New York unit, home office agency; Miss Carolina Owens, Philadelphia, and Mrs. Eleanor Y. Skillin, Chicago, one of the top producers in lives.

L. L. Newman, Fort Wayne, and his collection of horse-drawn vehicles were recently publicized in two full pages of rotogravure in the Fort Wayne "News-Sentinel." Mr. Newman owns six different rigs, including an eighteen-passenger carriage of the stage coach variety.

John D. Howell, New York City, one of the best objection-answers in the business, didn't arrive until late as he stopped off to close a couple of substantial cases.

J. B. Stonakes, Philadelphia, was handicapped by a game leg. He pulled a tendon while gardening. For many years one of Philadelphia's prominent jewelers, he is now a leading producer.

C. L. U.

Boston Chapter's Board Named

L. L. Howard, president Boston Chapter of C. L. U. has appointed his executive committee. The members are: L. L. Howard, Columbia National, president; M. P. Ford, Home Life of New York, secretary; V. E. Blagbrough, John Hancock, treasurer; Fitzhugh Traylor, Equitable Society, chairman education committee; J. W. Daniels, Union Mutual, chairman committee on coordination; and W. A. Clarke, Acacia Mutual, chairman public relations committee. The season's activities tentatively are set to start, Oct. 24 with a discussion of the amended social security act.

Harrison New Baltimore Head

BALTIMORE—At the annual meeting, the Baltimore chapter of C. L. U. elected as officers: President, T. W. Harrison, Connecticut Mutual Life; vice-president, John W. Heisse, Aetna Life; secretary-treasurer, Michael Miller, Pacific Mutual Life; members of board, F. W. Savage, Jr., New England Mutual; S. F. Gammon, Prudential; L. H. Towner, John Hancock, and A. H. Krug, Massachusetts Mutual.

Penn Mutual's Group

A C. L. U. group of Penn Mutual Life field men to be known as the C. L. U. of the Penn Mutual was organized during the educational conferences in Atlantic City. There were 50 C. L. U.'s present, including National President J. H. Reese, who, with E. L. Reiley, is co-manager of the home office agency. Also in attendance were President John A. Stevenson, and Agency Secretary E. P. Huttering, both of whom indicated their unqualified support of the movement in behalf of the Penn Mutual.

A. M. Hopkins, Jr., was elected president of the group to serve for two years. F. G. Stull was elected secretary. On the day previous, A. E. Patterson, vice president in charge of Agencies of the Penn Mutual, had announced the appointment of Mr. Hopkins to the training department. Mr. Hopkins had previously been a supervisor in the home office agency.

Agents Should Use Great Tact Getting Referred Leads

Today agents are being urged more than ever to use great tact in securing referred leads.

Because of the prevalence of this practice, it is pointed out that often a salesman does himself more harm than good if he directly asks a prospect or policyholder to provide him with leads for business-getting purposes.

Many clients resent being asked and are reluctant to become "sales providers." They are afraid to recommend their friends because such friends might resent it. Often referred lead prospects do resent the manner in which their names were secured. They sometimes feel that an agent who depends on such help is not exactly "up to snuff."

Perhaps the best ways to get names from an individual are through social conversation or by indirect questioning, where the individual is not aware that such information is being given.

Of course, some leads are given voluntarily and when done so should be accepted in the spirit with which they are offered and treated with all possible care.

No Date Yet Fixed

NEW YORK—The Life Presidents Association has not yet decided on the date of its annual meeting, although of course it will be some time the early part of December as usual. It expects to decide within the next two or three weeks.

Sales Ideas and Suggestions

Family Maintenance Is Chief Duty of Life Salesmen

DETROIT—Delivery of the policy to the assured is only the half way mark in the job of life underwriting, and the least important half, Roderick Pirnie, general agent Massachusetts Mutual Life, Providence, R. I., member Million Dollar Round Table, told Qualified Life Underwriters at the first fall luncheon meeting. He was introduced by G. E. Lackey, Massachusetts Mutual general agent here. R. T. Smith, Travelers manager, presided.

After the sale has been made the salesman must make sure that proper provision has been made for care of the family. This responsibility is not so much to the insured as to his beneficiaries. No beneficiary has been properly cared for if a large sum of money is dropped into his or her lap upon the policyholder's death.

Against Lump Sum Plan

Life insurance has been proved many times to be the most sound, secure, intelligent investment in the world, Mr. Pirnie said. But when a lump sum settlement is arranged, beneficiary is robbed of valuable rights, such as to have the funds conservatively managed and preserved by capable executives for the ultimate benefit of the beneficiary for whose protection the insurance was purchased. Even lawyers in most cases do not understand the full extent of the rights and privileges in the life insurance contract and what these can mean to clients. "We must not sell life insurance policies; rather, let us sell completed life insurance estates," Mr. Pirnie warned. "The ideal life insurance estate consists of a sufficient sum in cash to pay off outstanding obligations and expenses, with monthly payments that will enable the wife and children to continue to live in the manner in which they have been accustomed to live as long as the wife shall live and the children need this protection, payable out of interest, with the principal to go intact to the next generation.

Should Have Ideal Objective

"Usually it is not possible for us to sell such a program in its entirety and in sufficient amount, but our objective should be to sell as nearly the ideal set-up as possible in each case.

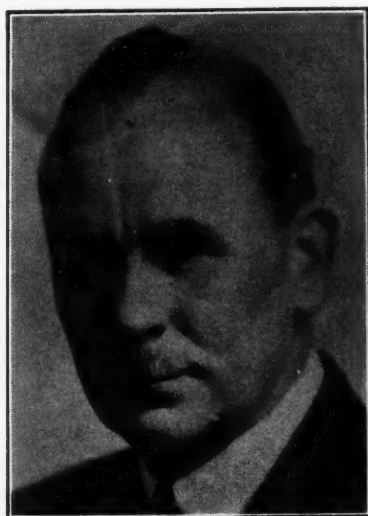
"We must develop the European idea of investment rather than our usual American conception of it. Over here we say 'He left \$100,000! My isn't that a lot of money!' In England they say, 'He left \$2,500 a year.' And that does not sound like so much money, but it is a very much clearer picture of the actual condition. It is not the amount of money in an estate that counts; it is the amount of income from the estate.

"The biggest half of our job is the conservation of the American family, the holding together of the family group when the breadwinner is removed until the wife can get her feet on the ground and the children are through with their common school education. Forget the college idea for a moment; the big problem is to get the children a common school education that will ground them in our American ideals. The college fund is fine, but should be suggested only after the more important matters are cared for. Too many underwriters put the cart before the horse in this respect.

"The necessary insurance to hold the family together is the absolute minimum that any man should be allowed to carry. The monthly payments should be sufficient to keep the wife and family on their own level of living for at least a three-

year period. It is our duty to see that the insurance we write is handled on settlement options and that the options are endorsed.

"There has been much criticism of life insurance and the critics manage to find plenty of pegs to hang their criticism on. The fact that thousands of policies in



RODERICK PIRNIE

force in your city call for proceeds to be paid in a lump sum is one of these pegs. This peg exists because we as underwriters have not done our job properly.

Savings Banks Insurance Menace

"Savings bank insurance as it is handled in Massachusetts today is one of the greatest menaces to old line legal reserve life insurance that exists. Proponents of this form of protection are endeavoring to promote their own interests by vicious attacks upon old line life insurance, despite the fact that legal reserve life insurance as an institution saved the country from financial chaos during the depression. If the proponents of savings bank insurance succeed in undermining old line life insurance, it will ruin the country. We must not let that happen. Legal reserve life insurance is the purest form of democracy in existence in the world today.

"The proponents of savings bank insurance have appeared before every school and college class in Massachusetts with their propaganda, while we sit idly by and do nothing about it. It is up to us to meet them on their own ground, to go forth into the schools and colleges of our land and tell the truth about legal reserve life insurance, and what it does.

Obligation of Underwriters

"We, as underwriters, have a definite obligation to the public, and we must meet that obligation. When you call on a prospect, don't tell him you note that he has a \$300 equity in his policies and you think it is about time for him to buy more insurance. That smacks too much of telling a man you know he has \$300 in the bank, and suggesting that he split it with you. The proper approach is to tell the prospect you want to talk to him about his wife and children, that you want to arrange to take care of them if such care should become necessary."

Mr. Pirnie said he always keeps a record of the settlement arrangements on

Success and Failure Reasons Told

CLEVELAND—Drawing from his wide experience in analyzing insurance men, Dr. Perry Rohrer, noted Chicago psychologist, cited the reasons for success and failure to the Cleveland Life Underwriters.

Dr. Rohrer pointed out that the difficulty of many life underwriters is getting going—to tackle the things they dislike most to do. To be successful one must tackle his greatest weaknesses and lick them. You can't keep putting it off. Success comes from proper application and hard work. There is no magic road, though many try to find such a path by all sorts of schemes. He said:

"We all have a central nervous system, into which we build habits. The habits you mold are all-important. One of the most outstanding differences between the successful and unsuccessful is in their ability to adjust themselves to difficulties.

Mental Attitude Important

"When we are licked mentally, we are really licked. The unsuccessful man putters around, makes plans he doesn't carry out, puts things off and feels sorry for himself. This is disastrous.

"I never feel sorry for the man with handicaps, I envy him. Handicaps are valuable. The thing that is wrong with a lot of insurance men is that they are not hungry—not emotionally starved. They haven't the urge to fight for things. In order to be successful we must keep a growing edge on life—keep hungry for success. Become a specialist on your greatest weakness.

"We need a new emphasis on character. There have been too many agents trying to sell with trick statements. A strong personality is good but we need strong character to go with it. Personality is your window display—the way you appear to others. You can have a strong personality and still be on the wrong road. Even criminals may have strong personalities.

"Sincerity is one of the greatest selling factors there is. Yet some try to find substitutes when there are none. Deceit will catch up with you. Most life insurance men I contact have the quality of sincerity. Yet sincerity alone is not enough. You can be wrong and sincerely think you are right. That is the reason there has been so much misplaced insurance in years past.

"Imagination is another necessary quality. The successful salesman paints word pictures that capture the imagination.

"The ability to live habitually, in a friendly world is highly necessary. There is something contagious about walking with successful insurance men.

Bring Courage, Establish Confidence

"War and its psychological effect on the public is one of the greatest assets you have. You have a chance as never before to go out and talk with people—to bring courage and lay a background of confidence. And don't stop at difficulties. Many salesmen, instead of mastering a situation, let the situation master them. These are times when smart salesmen will spread good cheer.

"The man who lives habitually in a friendly world sells all the time—in

every case he writes so that he can tell quickly how the insurance will be distributed. These records remain in his file until the record is marked 'deceased.'

rain, snow or hot weather. There are too many agents who claim they go great when conditions are right but there is no use going out on a rainy day or a cold day. It may even be found that very few days suit them and their production is limited accordingly. The successful salesman doesn't follow his feelings but his head.

"Don't argue with yourself but get under way. You are lost when you hesitate. Set down a rigid minimum program and learn to feel lousy if you fall down on it. There is no substitute for mental discipline. The more successful a salesman is, the more individualistic he is. You must weave your own web to fit you. And remember that the artist always does it the easy smooth way. Because he knows how."

Salesman Gives Pointers

R. H. Wieneke Presents Some Essentials That Always Accompany Successful Insurance

Talking on "The insurance business as a means of making a living," R. H. Wieneke, assistant manager Union Central at Chicago, spoke to the Milwaukee Accident & Health Club. "If you want something very much and study the means of securing it, you will find there is a definite price to be paid," he said, "and it applies to selling disability insurance." A study of accident and health selling proves one of the first requirements of the sales end of the business is to have an honest system of prospecting, he added. If an agent fails to expose himself to sales opportunities in sufficient number, he cannot expect to have a respectable volume of sales. After paying the price required to disclose a sufficient number of prospects, the agent must develop skill in presenting his subject, and should have the will to win. He likened time control, the third requirement, to cost accounting. An adequate record must be kept of calls to determine whether sufficient time is being spent in the actual sales work to earn success. Many agents who think they are spending eight hours a day in their insurance business are really putting in only three hours work, the balance being used up in lost motion.

He cited the case of the agent who complained to an attorney friend that after a year and a half in the insurance business he was not making enough money. The friend's frank criticism was that he was making a reasonable income based upon the time he was devoting to the work and recommended that the agent take the 8 o'clock train to town instead of the 9 o'clock and that he wait for the 5:40 train in the evening, the hours in between to be given to more intense prospecting, more skillful presentation of his coverages to his prospects and a more careful study of results from records to be kept.

When the friend's advice was followed, added income came within a comparatively short time.

Mr. Wieneke was formerly with an agency that sold accident and health insurance.

Effective Approach Through the Social Security Act

Agents of the Midland Mutual Life of Columbus, O., are using an approach with great effectiveness which is based on the revised social security benefits. It clicks in almost 100 percent of the cases in which it is used, and furnishes more interviews than an agent can take care of. The introductory remarks are as follows:

"If I came in to see you and said I

was with such and such a legal firm and had a \$7,000 or \$8,000 legacy for you, wouldn't you be interested? The government is giving such a legacy under the new social security act and I should like to explain how it will affect you."

It is said that by using this approach, an agent is able to secure information on income and personal family matters which it would be impossible for him to obtain otherwise without long cultivation. It enables an agent to talk to people he could never talk to before.

Strict Neutrality Is Urged by the National President

(CONTINUED FROM PAGE 1)

altered somewhat. The steering group will consist of a standing committee of 18, six to be appointed each year by the national president with a chairman and vice-chairman. The Managers Section program at St. Louis drew an attendance of 800 with emphasis in the speeches on selection and on reviving older agents who are in a slump.

National Council Meeting

The national council, which President Holgar J. Johnson characterized as a legislative assembly, had a legislative setup for its meeting Monday, carrying out the plan first introduced at the mid-year meeting in Louisville last spring, with the members seated at long tables, one for each state, bearing the name of that state. Forty-three states and the District of Columbia were represented.

Following the president's address and brief reports from the other officers, the entire day was devoted to open forum discussions of various topics involving

the extension and improvement of local association service. Where the subject was one that is covered by one of the standing committees, the chairman briefly summarized his report and then opened the matter to discussion from the floor, which was profuse and animated.

H. G. Mosler, Massachusetts Mutual, Los Angeles, was elected chairman of the Million Dollar Round Tables at its session Tuesday, succeeding Paul C. Sanborn, Connecticut Mutual, Boston. The program was decidedly different from those of previous sessions, with no member of the round table among the speakers, who included Mrs. Anna Steese Richardson of the "Woman's Home Companion," Charles T. Davies, million dollar policyholder of Wyomissing, Pa.; Elliott Roosevelt, son of the president, radio station operator and broadcaster; and Denis M. Maduro, counsel for the New York City Life Underwriters Association and authority on tax and estate problems.

Comments on TNEC Hearings

President H. J. Johnson of the National Association of Life Underwriters, in his report to the national council referred to the hearings of the TNEC study in life insurance and its hearings. He said that it has been generally understood that the government desires to enter the life insurance field through the social security board in direct competition with private companies. He said that the insurance men feel warranted in objecting. Such a program, he said, tends to undo the efficient work of the life companies and the capable agents. They have helped America to build a potential estate of more than \$110,000,000, which is 70 percent of all the life insurance in force in the world.

President John A. Stevenson of the Penn Mutual Life spoke at the woman's quarter million dollar round table dinner. Forty-eight states were represented, it being the first time in the history of the organization that every commonwealth had someone attending.

The C. L. U. group voted to maintain the rigid requirements for examination that have been in effect. Discussions on the TNEC committee investigation held intense interest with speakers in practically all division meetings. Anna S. Richardson of the Crowell Publishing Company of New York criticized the "insidious propaganda" being circularized by consumer publications.

Expense Control Best Way to Head Off U. S. Supervision

(CONTINUED FROM PAGE 8)

handicapped by lack of knowledge of the simpler steps or the immediate and actual difficulties related to the installation of a plan of procedure. These points of view must be joined.

Mr. Thompson had a word to say about social security, which he characterized as "elusive and shadowy." Social security, he said, cannot be guaranteed unconditionally by any person or corporation. It is not even assured by entries in government ledgers. Security for the aged and otherwise disabled and dependent can be derived only from the wealth produced during the period when the necessities of life are required by such beneficiaries. This is true no matter what the media for the distribution of such benefits may be. Future production must be sufficient to compensate adequately both those who are engaged in the business of production and to support those who are dependent. The life companies for nearly a century in the United States and for nearly two centuries in Great Britain have been selling claims upon future production on an impressive scale. If these claims continue to be valid the purposes of the owners of those claims will have been achieved. In the unlikely contingency that they are not good, similar purposes

to attain security cannot be materialized through other media. The resources simply will not be there. Under these circumstances the life companies are desirable and necessary mechanisms whereby most of the people can protect themselves against the risks of dying too soon or living too long, to an extent far beyond the limits of any public, universal plan.

Departments Urge Reorganization of the Shenandoah Life

(CONTINUED FROM PAGE 1)

\$191,250 as without authority under the plan of mutualization, put into effect in 1934, on the ground that the surplus was more than twice the amount required. Some of the alleged practices criticized by the examiners were: Salary advances to certain officers; loans from the petty cash fund to certain officers; mortgage loans in which, in the opinion of the examiners, officers were interested in violation of law; purchase of bonds in violation of a section of the code; discrimination by charging a first year premium 50 percent to 75 percent less than the regular premium to persons not home office employees.

The examiners said that during the period under review the company had substantially increased its business in force. As of Dec. 31, 1938, outstanding insurance totaled \$177,619,886. Surplus was found to be \$376,968. Policyholders, the examiners said, appear to be fairly treated and claims are promptly paid.

E. Lee Trinkle has been president of the company since 1933. J. P. Saul, Jr., is executive vice-president, and Dr. J. H. Dunkley is medical examiner.

TENNESSEE'S POSITION

NASHVILLE, TENN.—Commissioner McCormack said with regard to the Shenandoah Life that he agrees with the demand for "a change or reorganization of executive officers with a definite provision that there be no increased management expense. Such a change," he said, "would be solely for the better service to the policyholders." Commissioner McCormack demands completion of the mutualization of the company be made by April 1, 1940. He states that the company is in a financial position to accomplish this. His department does not in any way question its solvency.

Commissioners to Meet on Uniform War Clause

(CONTINUED FROM PAGE 1)

the committee as will Actuary Huston of the American Life Convention.

Lloyd Seeks Uniformity

"Many life insurance companies are preparing war clauses for their policies and there is apparently a great difference of opinion among insurance company executives as to the language of these clauses," Mr. Lloyd said. He stated the Association of Life Insurance Presidents and the American Life Convention have agreed to cooperate with the commissioners' committee in working toward uniformity.

Members of the commissioners' committee include: Kavanaugh, Colorado; King, South Carolina; Pink, New York; Harrington, Massachusetts; Newbauer, Indiana; Hobbs, Kansas; Emery, Michigan; Gough, New Jersey; Bowles, Virginia; Conway, Louisiana; McCormack, Tennessee; Palmer, Illinois, and Fischer, Iowa.

Dr. McClintock Will Speak

A technical side of advertising a bit out of the usual that will be considered by those attending the convention of the Life Advertisers Association in Detroit,

Oct. 16-18, will be consideration of the effects that changes in population bear to advertising. Dr. Miller McClintock, chief executive of the Traffic Audit Bureau, and an outstanding authority upon traffic control, will discuss this subject.

B. M. A. Managers Hold Session

KANSAS CITY—Managers of Business Men's Assurance Company met Monday and Tuesday preceding the convention of salesmen at Excelsior Springs, Mo., Thursday, Friday and Saturday. With executives, managers went over recruiting, training, supervision and allied problems. J. C. Higdon, vice-president in charge of agencies, was in charge.

No Authority to Investigate

DES MOINES—Commissioner Fischer has informed Director Smrha of Nebraska that he has no authority to investigate the Colonial Benefit Society and the Loyal Order of American Fellowship Benefit Society, both of Council Bluffs, as requested, unless the attorney-general rules that the companies come under the Iowa insurance laws.

It is alleged that officials of Colonial Benefits Association had organized the other society and were soliciting holders of Colonial Benefit policies to transfer them to the new organization with reduced coverage.

Write Statistical Dictionary

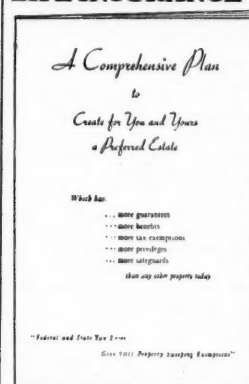
A. K. Kurtz of the Sales Research Bureau, and Prof. H. A. Edgerton, counselor college of arts and sciences, Ohio State University, Columbus, are co-authors of a "Statistical Dictionary of Terms and Symbols," just released by John Wiley & Sons, New York. The volume presents complete definitions of 2,100 statistical terms encountered in the reading of scientific literature.

INSURANCE SERVICES & EQUIPMENT

[DIRECTORY]

Life Insurance Outlines

LIFE INSURANCE OUTLINES

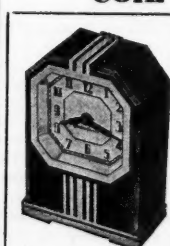


NEW
40 PAGE
BOOK.
Organized
Life
Outlines.
Practical
Sales
Ideas.

Outlines now used by successful life underwriters the country over.

Send 25 cents in coin or stamps for copy to Lind Outline Co., 500 First National Bank Bldg., Minneapolis, Minnesota.

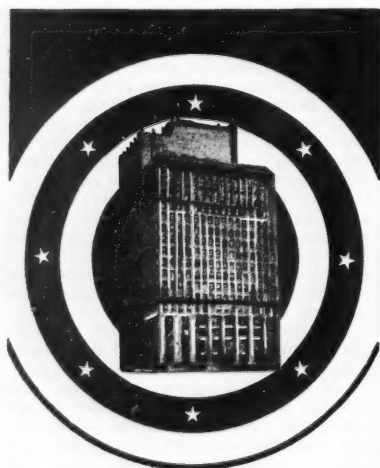
Coin Clocks



COIN CLOCKS will help you sell more life insurance.

New Low Price \$1.99 and up.

For full details write to:
COIN CLOCK SERVICE CO.
700 — Prospect — 4th Bldg.
Cleveland, Ohio

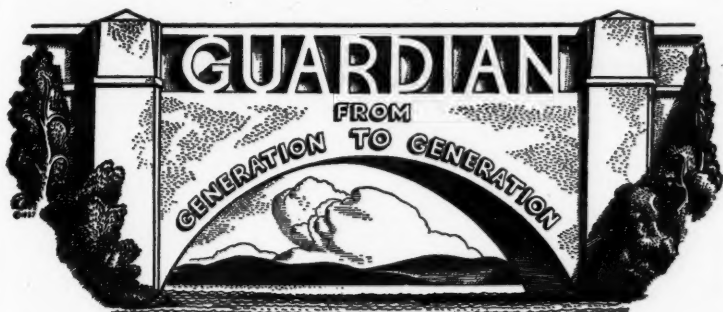


General Agency
OPPORTUNITIES
for good personal
producers

Central Life
INSURANCE COMPANY
of Illinois

ALFRED MACARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

**THE
GUARDIAN LIFE
INSURANCE COMPANY
OF AMERICA
NEW YORK CITY**



**A MUTUAL COMPANY
ESTABLISHED 1860**

**AMERICAN NATIONAL
INSURANCE COMPANY**

W. L. MOODY, JR.
President

W. L. MOODY, III
Executive Vice-President

GALVESTON, TEXAS

GROWTH OF COMPANY

THIRTY-FOURTH ANNUAL STATEMENT, DECEMBER 31, 1938

GROSS INCOME \$ 21,064,262.25

Increase over previous year, \$1,579,237.17

PREMIUM INCOME 17,463,665.02

Increase over previous year, \$1,189,784.20

ASSETS 74,672,002.62

Increase over previous year, \$7,251,122.00

INSURANCE IN FORCE 704,193,732.00

Increase over previous year, \$32,564,307.00

**PAID TO POLICYHOLDERS
SINCE ORGANIZATION** 90,703,492.44



Industrial and Ordinary

Operating from Coast to Coast, from the Great Lakes
to the Gulf, in Cuba, Puerto Rico and Hawaii

Friendly • Progressive • Strong



**\$5256 A Year —
\$438 A Month —**

earned in 1938
by a Western Life general agent living in a
city of 17,000.

1938 total agency production \$255,162.

**1938 general agent's personal produc-
tion \$125,251.**

This General Agent says: "Removing pro-
duction pressure has enabled me to enjoy the
business, give better service to my clients and
quality business to my Company." (His 1938
earnings were \$3817 in first year commissions
and \$1438 in renewals and bonuses for per-
sistency and increase of insurance in force.)

General agency openings available in Cali-
fornia, Oregon, Washington, Idaho, Montana
and Utah. *Write for copy of financial state-
ment.*

**WESTERN LIFE
INSURANCE COMPANY**

HELENA

Since 1910

MONTANA

R. B. RICHARDSON
President

**Assets — \$14,453,761
Surplus — \$2,300,000**

LEE CANNON
Agency Vice President



THIS may be your real opportunity—don't knock. Simply
write to the Agency Department of the United Life and
Accident Insurance Company for the full story about our
combination contract—life, containing double and triple indem-
nity, with weekly accident protection, non-cancellable and non-
proratable.

United Life and Accident Insurance Company agents increase
their earnings selling this combination life and non-cancellable
accident insurance.

Do you want to increase your earnings?

OPPORTUNITY KNOCKS—ACT NOW

Address your letter to:

**William D. Haller, Secretary and Agency Manager
United Life and Accident Insurance Company
Concord, New Hampshire**

LIFE VIEWS IN THE NEWS



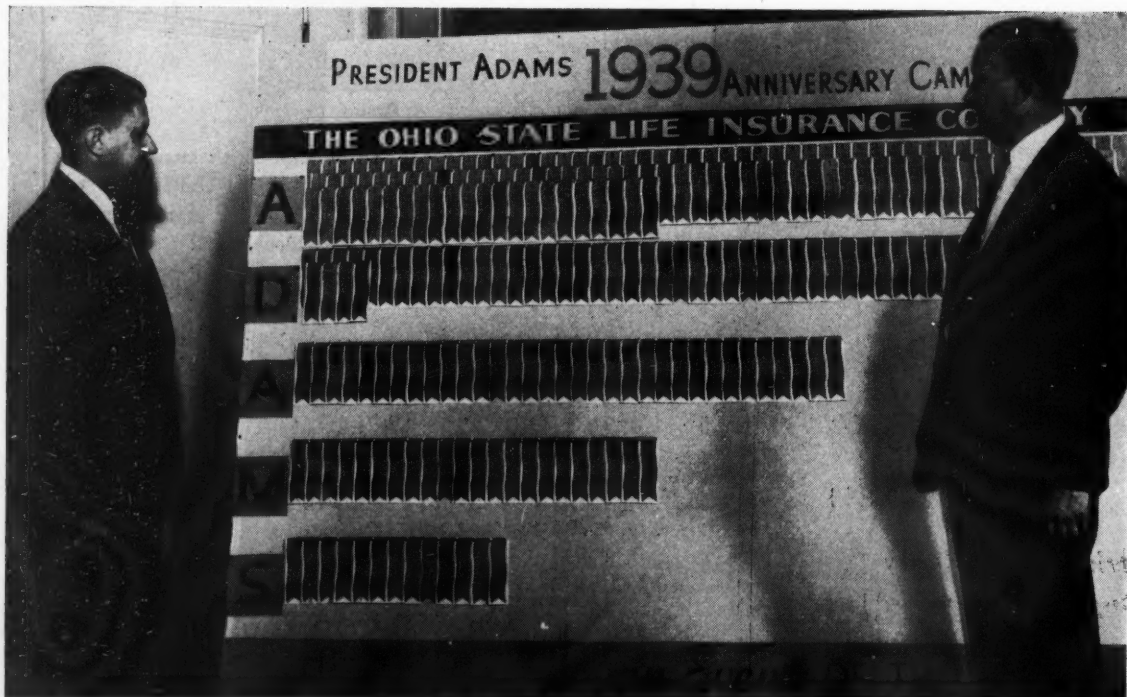
A "Biz for Bash" campaign was staged by the Penn Mutual Life general agency at Des Moines honoring L. W. Basham's 69th birthday. A quota of 69 cases was set. The agency divided itself into two teams, the Townsends and the House of David, the latter group being pictured above with Mr. Basham in the center.



The above folder, including a sample policy, an illustrated booklet, an individual proposal form and two pre-approach letters, was mailed to all agents of the Great-West Life introducing new special income plans.



The Continental American Life has erected a spectator's platform for those who wish to observe the construction of its new home office building. Ground was broken last month and the Continental American expects to occupy the new building some time next summer.



When Claris Adams (right), president Ohio State Life, returned after his vacation, he was presented with the largest volume of applications for insurance ever written by the field force in one day. This inaugurated a campaign ending Oct. 31 in commemoration of the anniversary of Mr. Adams' becoming president. A novel feature is that the applications are being submitted in groups of five, each group representing a letter in the name Adams. Leading agencies in the first day's reports were Akron, Los Angeles, Pittsburgh, Detroit-Suffron and Mansfield. Leading personal producers were Alfred Guay, Los Angeles; C. C. Smith, Akron, and Michael Nassar, Pittsburgh. The winning agency will be presented the president's victory trophy. F. L. Barnes, agency vice-president, is on the left.